

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus supplement, together with the short form base shelf prospectus dated February 12, 2019 to which it relates, as amended or supplemented, and each document incorporated by reference in the short form base shelf prospectus, as amended or supplemented, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

These securities have not been and will not be, registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or the securities laws of any state of the United States of America and may not be offered, sold or delivered, directly or indirectly, within the United States, its territories, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act), except in certain transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. This prospectus supplement does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States.

Information has been incorporated by reference in this prospectus supplement and the short form base shelf prospectus dated February 12, 2019 from documents filed with securities commissions or similar authorities in Canada. See “Documents Incorporated by Reference”. Copies of the documents incorporated herein or therein by reference may be obtained on request without charge from the Vice President, Legal Services and Corporate Secretary of iA Financial Corporation Inc. at 1080 Grande Allée West, Québec City, Québec, G1S 1C7, telephone (418) 684-5000, and are also available electronically at [www.sedar.com](http://www.sedar.com).

## PROSPECTUS SUPPLEMENT

(To the Short Form Base Shelf Prospectus dated February 12,  
2019)

New Issue

September 19, 2019



### **\$400,000,000** **3.072% Fixed/Floating Subordinated Debentures** **of iA Financial Corporation Inc.**

iA Financial Corporation Inc. (“iA Financial Corporation” or the “Corporation”) is offering \$400,000,000 aggregate principal amount of 3.072% fixed/floating subordinated debentures (the “Debentures”). The Debentures will be dated September 24, 2019 and will mature on September 24, 2031. Interest on the Debentures at the rate of 3.072% per annum will be payable in arrears in equal semi-annual installments on March 24 and September 24, in each year, commencing on March 24, 2020 and continuing until September 24, 2026. After September 24, 2026, interest on the Debentures will be payable at a rate per annum equal to the 3-month CDOR (as defined herein) plus 1.31% payable quarterly in arrears on the 24<sup>th</sup> day of each of March, June, September, and December in each year, commencing on December 24, 2026. Assuming a Closing Date (as defined herein) of September 24, 2019 the initial interest payment on March 24, 2020 will be \$15.36 per \$1,000 principal amount of Debentures. See “Details of the Offering”.

Subject to the prior consent of the *Autorité des marchés financiers* (the “AMF”), iA Financial Corporation may, at its option, redeem the Debentures in whole or in part on not less than 30 days’ nor more than 60 days’ prior notice to the registered holder, on or after September 24, 2026 at a redemption price equal to par, together with accrued and unpaid interest to but excluding the date fixed for redemption. Further particulars concerning the attributes and the distribution of the Debentures are set out under the heading “Details of the Offering”.

	<u>Price to the Public</u>	<u>Agents' Fee<sup>(1)</sup></u>	<u>Net Proceeds to iA Financial Corporation<sup>(2)</sup></u>
Per \$1,000 principal amount of Debentures	\$1,000.00	\$3.70	\$996.30
Total	\$400,000,000	\$1,480,000	\$398,520,000

- 1) Agents' fee consists of a fee equal to \$3.70 for each \$1,000 principal amount of Debentures sold.
- 2) Before deduction of expenses of this offering payable by iA Financial Corporation estimated at \$1,000,000. See "Plan of Distribution".

BMO Nesbitt Burns Inc., TD Securities Inc., National Bank Financial Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., Scotia Capital Inc. and Industrial Alliance Securities Inc. (collectively, the "Agents"), as agents, conditionally offer the Debentures, on a best efforts basis at 100% of the principal amount of Debentures subject to prior sale, if, as and when issued by iA Financial Corporation in accordance with an agency agreement dated September 19, 2019 by and among the Corporation and the Agents (the "Agency Agreement"), the whole as more fully described under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of iA Financial Corporation by Norton Rose Fulbright Canada LLP and on behalf of the Agents by McCarthy Tétrault LLP.

**Industrial Alliance Securities Inc., one of the Agents, is an indirect subsidiary of iA Financial Corporation. Therefore, iA Financial Corporation is a "related issuer" of Industrial Alliance Securities Inc. under applicable securities legislation by virtue of iA Financial Corporation's indirect interest in Industrial Alliance Securities Inc. See "Plan of Distribution".**

**The Debentures will not be listed on any security exchange. There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this Prospectus Supplement. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See "Risk Factors".**

iA Financial Corporation's head and registered office is located at 1080 Grande Allée West, Québec City, Québec, G1S 1C7.

Subscriptions for the Debentures will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the closing of this offering will take place on September 24, 2019 (the "Closing Date") or on such other date as iA Financial Corporation and the Agents may agree but not later than October 8, 2019. The Debentures will be issued in "book-entry form" through the facilities of CDS Clearing and Depository Services Inc. ("CDS").

The Debentures offered by this Prospectus Supplement will be iA Financial Corporation's direct unsecured subordinated obligations and will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* (Canada) (the "CDIC Act"), the *Deposit Insurance Act* (Québec) (the "QDI Act") or any other deposit insurance scheme. The Debentures will constitute direct unsecured subordinated indebtedness of iA Financial Corporation, ranking equally and rateably with each other (regardless of their actual dates of issue) and with all other unsecured subordinated indebtedness of iA Financial Corporation from time to time issued and outstanding, including guarantees provided by iA Financial Corporation in respect of outstanding debentures of its subsidiary. The Debentures will, however, rank senior in right of payment to guarantees provided by iA Financial Corporation in respect of certain obligations in respect of outstanding preferred shares of its subsidiary. In the event of the insolvency or winding-up of iA Financial Corporation, the Debentures will be subordinated in right of payment to all liabilities of iA Financial Corporation, except those liabilities that, by their terms, rank equally with or are subordinated to, subordinated indebtedness of iA Financial Corporation, including the Debentures. The Debentures will be structurally subordinated to all indebtedness, policy liabilities and other liabilities and preferred shares of iA Financial Corporation's subsidiaries (the "Subsidiaries' Preferred Shares"). See "Details of the Offering".

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### PRESENTATION OF INFORMATION

In this prospectus supplement (the “**Prospectus Supplement**”), unless otherwise indicated, capitalized terms which are defined in the accompanying short form base shelf prospectus of the Corporation dated February 12, 2019 (the “**Prospectus**”) are used herein with the meaning defined therein. If information in this Prospectus Supplement is inconsistent with the accompanying Prospectus, investors should rely on the information in this Prospectus Supplement. All references to “dollars” in this Prospectus Supplement are to Canadian dollars unless otherwise indicated.

On January 1, 2019, Industrial Alliance Insurance and Financial Services Inc. (“**IAIFS**”) and iA Financial Corporation completed a transaction pursuant to which iA Financial Corporation became the holding company owning all the common shares of IAIFS by way of a court-approved plan of arrangement pursuant to the *Companies Act* (Quebec) and the *Business Corporations Act* (Quebec) (the “**Arrangement**”). As a result of the Arrangement, iA Financial Corporation owns all of the outstanding common shares of IAIFS and common shareholders of IAIFS became common shareholders of iA Financial Corporation. Therefore, until December 31, 2018, IAIFS was the parent company of the Corporation’s consolidated group, and since January 1, 2019, iA Financial Corporation is now the parent company.

The disclosure provided in this Prospectus Supplement is presented to demonstrate this continuity. Accordingly, references to “iA Financial Corporation” refer, as the context may require, (i) prior to January 1, 2019, to IAIFS, or the activities carried out within IAIFS and its subsidiaries on a consolidated basis, and (ii) since January 1, 2019, to iA Financial Corporation, or the activities carried out within iA Financial Corporation and its subsidiaries on a consolidated basis. As well, since iA Financial Corporation is the “successor issuer”, as such term is defined in National Instrument 44-101 – *Short Form Prospectus Distributions*, of IAIFS in respect of IAIFS’s previously issued common shares, documents incorporated herein by reference of iA Financial Corporation, which were filed prior to January 1, 2019, relate to documents filed by IAIFS and documents incorporated herein by reference of iA Financial Corporation, which are filed following January 1, 2019, relate to documents filed or to be filed by iA Financial Corporation.

### CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements contained in this Prospectus Supplement, the Prospectus or in documents incorporated by reference herein, including those relating to iA Financial Corporation’s strategies and other 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”, “outlook”, “expect”, “anticipate”, “intend”, “plan”, “believe”, “estimate”, “feel”, “seek”, and “continue” or their future or conditional form (or the negative thereof), as well as words such as “objective” or “goal” or other similar words or expressions, are forward-looking statements within the meaning of securities laws. Forward-looking statements include, but are not limited to, information concerning the Corporation’s possible or assumed future operating results. These statements are not historical facts; they represent only the Corporation’s expectations, estimates and projections regarding future events. Forward-looking statements include, without limitation, the information concerning possible or assumed future results of operations of iA Financial Corporation, including market guidance for 2019 and sensitivity analysis. In addition, any statement that may be made concerning future financial performance (including revenues, earnings or growth rates), ongoing business strategies or prospects, and possible future action by iA Financial Corporation, including statements made by iA Financial Corporation with respect to the expected benefits of acquisitions or divestitures, are also forward-looking statements. Although iA Financial Corporation 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 and they should not be interpreted as confirming market or analysts’ expectations in any way.

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. Factors that could cause actual results to differ materially from expectations include, but are not limited to:

- market conditions that adversely affect iA Financial Corporation’s capital position or its ability to raise capital;
- general business and economic conditions (including but not limited to performance and volatility of equity markets, interest rate fluctuations and movements in credit spreads, currency rates, investment losses and defaults, market liquidity and creditworthiness of guarantors, reinsurers and counterparties);
- level of competition and consolidation;
- changes in laws and regulations including tax laws;
- changes in accounting standards;
- changes in regulatory capital requirements;
- ability to execute strategic plans and changes to strategic plans;
- liquidity of iA Financial Corporation, including the availability of financing to meet existing financial commitments on their expected maturity dates when required;
- downgrades in iA Financial Corporation’s financial strength or credit ratings;
- dependence on third party relationships, including outsourcing arrangements;
- ability to maintain iA Financial Corporation’s reputation;
- impairments of goodwill or intangible assets or the establishment of valuation allowances against future tax assets;
- insurance risks, including product design and pricing, mortality, morbidity, longevity and policyholder behaviour and including the occurrence of natural or man-made disasters, pandemic diseases and acts of terrorism;
- accuracy of estimates used in applying accounting policies and actuarial methods used by iA Financial Corporation;
- accuracy of accounting policies and actuarial methods used by iA Financial Corporation;

- ability to market and distribute products through current and future distribution channels;
- ability to implement effective hedging strategies and unforeseen consequences arising from such strategies;
- ability to source appropriate non-fixed income assets to back iA Financial Corporation's long dated liabilities;
- failure of information systems and Internet-enabled technology;
- breaches of computer security and privacy;
- level of competition and consolidation;
- the realization of losses arising from the sale of investments classified as available for sale;
- obligations to pledge additional collateral;
- the availability of letters of credit to provide capital management flexibility;
- accuracy of information received from counterparties and ability of counterparties to meet their obligations;
- the availability, affordability and adequacy of reinsurance;
- legal and regulatory proceedings, including tax audits, tax litigation or similar proceedings and including private legal proceedings and class actions relating to practices in the mutual fund, insurance, annuity and financial product distribution industries;
- ability to adapt products and services to the changing market;
- ability to attract and retain key executives, employees and agents;
- the appropriate use and interpretation of complex models or deficiencies in models used;
- acquisitions and iA Financial Corporation's ability to complete acquisitions including the availability of equity and debt financing for this purpose;
- unforeseen liabilities or asset impairments arising from acquisitions and dispositions of businesses;
- the disruption of or changes to key elements of iA Financial Corporation's or public infrastructure systems;
- environmental concerns;
- iA Financial Corporation's ability to protect its intellectual property and exposure to claims of infringement; and
- ability of iA Financial Corporation to receive sufficient funds from its subsidiaries.

Specifically, this Prospectus Supplement contains forward-looking statements with respect to:

- the use of proceeds of this offering; and
- the completion of this offering and anticipated timing thereof.

Additional information about 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 this Prospectus Supplement and in the Prospectus under "Risk Factors", under "Risk Factors" in iA

Financial Corporation's most recent annual information form, in iA Financial Corporation's management's discussion and analysis for the most recent audited consolidated financial statements under "Risk Management", in the "Management of Risks Associated with Financial Instruments" and "Insurance Contract Liabilities and Investment Contract Liabilities" notes to iA Financial Corporation's most recent audited consolidated financial statements, and elsewhere in iA Financial Corporation's filings with Canadian securities regulators, which are available for review at [www.sedar.com](http://www.sedar.com).

The forward-looking statements in this Prospectus Supplement or the documents incorporated by reference in this Prospectus Supplement reflect, unless otherwise indicated, iA Financial Corporation's expectations as of the date of this Prospectus Supplement or the documents incorporated by reference in this Prospectus Supplement. iA Financial Corporation does not undertake any obligation to update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this Prospectus Supplement or to reflect the occurrence of unanticipated events, except as required by law.

### DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference, as of the date hereof, into the Prospectus solely for the purpose of this offering of Debentures. Other documents are also incorporated or deemed to be incorporated by reference into the Prospectus and reference should be made to the Prospectus for full particulars thereof. The following documents have been filed by iA Financial Corporation with the securities commissions or similar authorities in each province of Canada and are incorporated by reference into the Prospectus and this Prospectus Supplement:

- (a) iA Financial Corporation's audited consolidated financial statements and the notes thereto for the years ended December 31, 2018 and 2017, together with the independent auditors' report thereon and the report of the appointed actuary for the years ended December 31, 2018 and 2017, as set out on page 3 of the audited consolidated financial statements;
- (b) iA Financial Corporation's management's discussion and analysis dated February 14, 2019 for the audited consolidated financial statements referred to in paragraph (a);
- (c) iA Financial Corporation's management information circular for the solicitation of proxies dated March 13, 2019 in connection with the annual meeting of shareholders held on May 9, 2019;
- (d) iA Financial Corporation's Annual Information Form dated March 25, 2019 for the year ended December 31, 2018;
- (e) iA Financial Corporation's unaudited interim condensed consolidated financial statements and the notes thereto for the three and six month periods ended June 30, 2019 and June 30, 2018;
- (f) iA Financial Corporation's management's discussion and analysis dated August 1, 2019 for the unaudited interim condensed consolidated financial statements referred to in paragraph (e);
- (g) the template version of the indicative term sheet (the "**Indicative Term Sheet**") prepared for potential investors in connection with this offering of Debentures dated September 19, 2019, and filed on SEDAR by iA Financial Corporation on September 19, 2019; and
- (h) the template final term sheet (the "**Final Term Sheet**") prepared for potential investors in connection with this offering of Debentures dated September 19, 2019, and filed on SEDAR by iA Financial Corporation on September 19, 2019.

Any documents of the types referred to above, any business acquisition reports and any material change reports (excluding confidential material change reports if any) and any marketing materials (as defined in National Instrument 41-101 – *General Prospectus Requirements*) filed by iA Financial Corporation with the securities regulatory authorities in Canada after the date of this Prospectus Supplement and prior to the completion or withdrawal of the distribution of the Debentures, shall be deemed to be incorporated by reference into the Prospectus and this Prospectus Supplement.

Any statement in this Prospectus Supplement, the Prospectus or contained in a document incorporated or deemed to be incorporated by reference in this Prospectus Supplement or in the Prospectus is deemed to be modified or superseded, for purposes of this Prospectus Supplement or of the Prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Prospectus Supplement or the Prospectus.

### MARKETING MATERIALS

The Indicative Term Sheet and the Final Term Sheet may be considered marketing materials for purposes of applicable securities legislation. The Indicative Term Sheet and the Final Term Sheet are not part of the Prospectus Supplement to the extent that the contents of the Indicative Term Sheet and the Final Term Sheet have been modified or superseded by a statement contained in this Prospectus Supplement.

Any “**template version**” of “**marketing materials**” (as such terms are defined in National Instrument 41-101 – *General Prospectus Requirements*) filed on SEDAR after the date of this Prospectus Supplement and before the termination of the distribution under this offering will be deemed to be incorporated into this Prospectus Supplement.

### ELIGIBILITY FOR INVESTMENT

In the opinion of Norton Rose Fulbright Canada LLP, counsel to iA Financial Corporation, and McCarthy Tétrault LLP, counsel to the Agents, the Debentures, if issued on the date of this Prospectus Supplement, would be, on such date, qualified investments under the *Income Tax Act* (Canada) (the “**Tax Act**”) and the regulations thereunder for trusts governed by registered retirement savings plans (“**RRSPs**”), registered retirement income funds (“**RRIFs**”), registered disability savings plans (“**RDSPs**”), registered education savings plans (“**RESPs**”), deferred profit sharing plans (other than a trust governed by a deferred profit sharing plan for which any employer is iA Financial Corporation or is an employer with whom iA Financial Corporation does not deal at arm's length within the meaning of the Tax Act), and tax-free savings accounts (“**TFSAs**”).

Notwithstanding the foregoing, if the Debentures are “prohibited investments” for a particular RRSP, RRIF, RDSP, RESP or TFSA for purposes of the Tax Act, the annuitant under the RRSP or RRIF, the holder of the RDSP or TFSA or the subscriber of the RESP, as the case may be, will be subject to a penalty tax under the Tax Act. The Debentures, if issued on the date of this Prospectus Supplement, would not be, on such date, a “prohibited investment” for these purposes unless the annuitant under the RRSP or RRIF, the holder of the RDSP or TFSA or the subscriber of the RESP, as the case may be, (i) does not deal at arm's length with iA Financial Corporation for purposes of the Tax Act, or (ii) has a “significant interest”, as defined in the Tax Act, in iA Financial Corporation. Prospective purchasers should consult their own tax advisors regarding their particular circumstances.

### DETAILS OF THE OFFERING

The following is a summary of certain of the material attributes and characteristics of the Debentures offered hereby, which does not purport to be complete. Reference should be made to the Trust Indenture (as defined below) for further particulars of the attributes and characteristics applicable to the Debentures.

#### General

The Debentures will be issued under and pursuant to the provisions of a trust indenture (the “**Trust Indenture**”) to be dated as of the Closing Date between iA Financial Corporation and Computershare Trust Company of Canada, as trustee (the “**Trustee**”). The debentures issuable under the Trust Indenture will be

unlimited in aggregate principal amount, with Debentures in the aggregate principal amount of \$400,000,000 issued as of the Closing Date. The Debentures will mature on September 24, 2031. The Debentures will be issued in denominations of \$1,000 and integral multiples thereof. The principal and interest on the Debentures will be paid in lawful money of Canada in the manner and on terms set out in the Trust Indenture.

## **Ranking**

The Debentures will constitute direct unsecured subordinated indebtedness of iA Financial Corporation, ranking equally and rateably with each other (regardless of their actual dates of issue) and with all other unsecured subordinated indebtedness of iA Financial Corporation from time to time issued and outstanding, including guarantees provided by iA Financial Corporation in respect of outstanding debentures of its subsidiary. However, solely for the purpose of defining the relative rights of the holders of the Debentures and the holders of the Guarantees (as defined below) and without in any way affecting the relative rights of the holders of Debentures and the other creditors of iA Financial Corporation (except the holders of the Guarantees), the Debentures will rank senior in right of payment to all existing and future guarantees provided or that may be provided from time to time by iA Financial Corporation in respect of preferred shares (regardless of the class of or series of or actual dates of issue of such preferred shares) of its subsidiary, unless in any case it is provided by the terms of the instrument creating or evidencing any such guarantee, that such guarantee is not subordinate in right of payment to the Debentures but ranks equally with, or senior in right of payment to, the Debentures (collectively, the “**Guarantees**”). The Trust Indenture will provide that in the event of the insolvency or winding-up of iA Financial Corporation, the indebtedness evidenced by the Debentures will be subordinated in right of payment to all liabilities of iA Financial Corporation except those liabilities that, by their terms, rank equally with, or are subordinated to, subordinated indebtedness of iA Financial Corporation, including the Debentures. The Debentures will be structurally subordinated to the Subsidiaries’ Preferred Shares and all other indebtedness, policy liabilities and other liabilities of iA Financial Corporation’s subsidiaries. See “Risk Factors - No Guarantees / Structural Subordination”.

## **The Debentures are Unsecured Obligations**

The Debentures will be direct unsecured subordinated obligations of iA Financial Corporation. **The Debentures will not constitute deposits that are insured under the CDIC Act or the QDI Act.**

## **Definitions**

The Trust Indenture will contain definitions substantially to the following effect:

“**3-month CDOR**” will mean, for any quarterly floating rate interest period, the average bid rate of interest (expressed as an annual percentage rate) rounded to the nearest one-hundred-thousandth of one percent (with 0.000005 per cent being rounded up) for Canadian dollar bankers’ acceptances with maturities of three months which appears on the Reuters Screen CDOR Page (or if such screen is not available, any successor or similar service selected by the Agents and approved by iA Financial Corporation) as of 10:15 a.m., Montréal time, on the first Business Day of such quarterly interest period. If such rate does not appear on the Reuters Screen CDOR Page, nor on any successor or similar service selected by the Agents and approved by iA Financial Corporation, on such day, the 3-month CDOR for such period shall be the average of the bid rates of interest (expressed and rounded as set forth above) for Canadian dollar bankers’ acceptances with maturities of 90 days for same-day settlement as quoted by a minimum of two Schedule I banks (as defined in the *Bank Act* (Canada)) that quote such a rate as of 10:15 a.m., Montréal time, on the first Business Day of such quarterly interest period;

Notwithstanding the definition of “3-month CDOR” herein, if iA Financial Corporation, a relevant regulatory supervisor or relevant benchmark administrator determines that the 3-month CDOR has been permanently or indefinitely discontinued, iA Financial Corporation may, in its sole discretion, appoint a calculation agent (which may be an affiliate of iA Financial Corporation) (the “**Calculation Agent**”), and iA Financial Corporation or such Calculation Agent, as applicable, shall use, as a substitute for 3-month CDOR and for each future quarterly floating rate interest period, the alternative reference rate selected or recommended by the central bank, monetary authority, relevant regulatory supervisor or any similar institution (including any committee or working group thereof), or identified through any other applicable regulatory or legislative action or guidance, that is consistent with accepted market practice for debt obligations such as the Debentures (the “**Alternative Rate**”). As part of



such substitution, iA Financial Corporation or the Calculation Agent after consultation with iA Financial Corporation, as applicable, shall make such adjustments to the Alternative Rate and the spread thereon, as well as the Business Day convention, interest payment dates and related provisions and definitions, in each case that are consistent with accepted market practice or applicable regulatory or legislative action or guidance for the use of such Alternative Rate for debt obligations such as the Debentures. If iA Financial Corporation or the Calculation Agent after consultation with iA Financial Corporation, as applicable, determines that there is no clear market consensus as to an Alternative Rate, iA Financial Corporation shall appoint in its sole discretion a financial institution of national standing in Canada to determine an Alternative Rate and any adjustments related thereto, and the decisions of such financial institution shall be binding on iA Financial Corporation, the Calculation Agent, the Trustee and the holders of Debentures. If such financial institution is unable to determine an Alternative Rate and any adjustments related thereto, the 3-month CDOR for such quarterly floating rate interest period shall be the 3-month CDOR for the immediately preceding interest period, and the process set forth in this paragraph to determine an Alternative Rate shall be repeated for each subsequent interest period until such time as an Alternative Rate is determined.

“**Business Day**” will mean a day on which Canadian chartered banks are open for business in Montréal and which is not a Saturday or Sunday or statutory or civic holiday;

“**Extraordinary Resolution**” will be defined in the Trust Indenture to mean a resolution passed by the affirmative vote of the holders of not less than 66⅔% of the principal amount of Debentures represented and voted at a meeting duly called and held in accordance with the Trust Indenture or as a resolution contained in one or more instruments in writing signed by the holders of not less than 66⅔% of the principal amount of the then outstanding Debentures; and

“**Reuters Screen CDOR Page**” will mean the display designated as page “CDOR” on the Reuters Monitor Money Rates Service (or such other page as may replace the CDOR page on that service) for purposes of displaying Canadian dollar bankers’ acceptance rates.

### **Interest**

The Debentures will be dated September 24, 2019 and will mature on September 24, 2031. Interest on the Debentures at the rate of 3.072% per annum will be payable in arrears in equal semi-annual installments on March 24 and September 24, in each year, commencing on March 24, 2020 and continuing until September 24, 2026. After September 24, 2026, interest on the Debentures will be payable at a rate per annum equal to the 3-month CDOR plus 1.31% payable quarterly in arrears on the 24<sup>th</sup> day of each of March, June, September, and December in each year, commencing December 24, 2026. Assuming a Closing Date of September 24, 2019, the initial interest payment on March 24, 2020 will be \$15.36 per \$1,000 principal amount of Debentures.

During the floating rate period, interest will be calculated on the basis of the actual number of days elapsed in such quarterly interest period, divided by 365, or 366 in leap years, as the case may be.

### **Redemption at the Option of iA Financial Corporation**

Subject to the prior consent of the AMF, iA Financial Corporation may, at its option, redeem the Debentures on not less than 30 nor more than 60 days’ prior notice to the registered holder, in whole or in part on or after September 24, 2026 at a redemption price equal to par, together with accrued and unpaid interest to but excluding the date fixed for redemption. In cases of partial redemption, the Debentures to be redeemed will be selected by the Trustee on a *pro rata* basis according to the principal amount of the Debentures registered in the respective name of each holder of the Debentures or in such other manner as the Trustee may consider equitable, provided that such selection is proportionate.

Unless iA Financial Corporation defaults in payment of the redemption price, the Debentures will cease to accrue interest on their respective redemption date.

Any Debentures that are redeemed by iA Financial Corporation will be cancelled and will not be reissued.

## **Market for Securities**

There is no market through which the Debentures may be sold and purchasers may not be able to resell Debentures purchased hereunder. This may affect the pricing of the Debentures in the secondary market, the transparency and availability of trading prices, the liquidity of the Debentures and the extent of issuer regulation. See “Risk Factors”.

## **Depository Services**

The Debentures will be issued in “book-entry only” form and must be purchased, transferred or redeemed through “participants” in the depository service of CDS or its nominee. At the Closing Date, iA Financial Corporation will cause a global certificate representing the Debentures to be delivered to, and registered in the name of, CDS or its nominee. So long as CDS or its nominee is the registered holder of the global certificate representing the Debentures, CDS or its nominee, as the case may be, will be the sole holder of Debentures for all purposes under the Trust Indenture. No purchaser of Debentures will be (i) entitled to a certificate or other instrument from iA Financial Corporation or CDS evidencing that purchaser’s ownership thereof, (ii) considered the holder of the Debenture for any purpose under the Trust Indenture, or (iii) shown on the records maintained by CDS except through a book-entry account of a participant acting on behalf of such purchaser. CDS will be responsible for establishing and maintaining book-entry accounts for its participants having interests in the Debentures. Accordingly, each person owning a beneficial interest in Debentures must rely on the procedures of CDS and, if such person is not a participant, on the procedures of the participant through which such person owns its interest in order to exercise any rights of a holder under the Trust Indenture. Rights of purchasers of Debentures will be governed by the standard agreement to be entered into between iA Financial Corporation and CDS regarding the use of the book-entry system in respect of the Debentures (as amended from time to time), by the agreements, service rules and procedures entered into between CDS and each participant, by the agreements between purchasers of Debentures and the participants and by applicable law. The practices of participants may vary, but generally customer confirmations are issued promptly after execution of a customer order.

Reference in this Prospectus Supplement to a holder of Debentures means, unless the context otherwise requires, the owner of the beneficial interest in the Debentures.

Use of the book-entry system for the Debentures may be terminated in certain circumstances including, if iA Financial Corporation determines in accordance with the terms of the Trust Indenture, or if CDS notifies iA Financial Corporation in writing, that CDS is no longer willing or able to discharge properly its responsibilities as depository with respect to the Debentures and iA Financial Corporation is unable to locate a qualified successor, or if iA Financial Corporation at its option elects, or is required by law, to terminate the book-entry system. If use of the book entry system is terminated, then Debentures will be issued in fully registered form to holders or their nominees.

## ***Transfer or Redemption***

Transfer of ownership or redemptions of Debentures will be effected through records maintained by CDS or its nominee for such Debentures with respect to interests of participants, and on the records of participants with respect to interests of persons other than participants. Holders who desire to purchase, sell or otherwise transfer ownership of or other interests in the Debentures, may do so only through participants.

The ability of a holder to pledge a Debenture or otherwise take action with respect to such holder’s interest in a Debenture (other than through a participant) may be limited due to the lack of a physical certificate evidencing ownership of a Debenture.

## ***Payments and Notices***

As long as CDS or its nominee is the registered holder of the Debentures, payments of principal, premium, if any, interest and redemption price, if any, on the Debentures will be made by iA Financial Corporation to CDS or its nominee, as the case may be, as the registered holder of the Debentures and iA Financial Corporation understands that such payments will be credited by CDS or its nominee in the appropriate amounts to the relevant participants. Payments to beneficial holders of Debentures of amounts so credited will be the responsibility of the

participants.

CDS or its nominee, as the case may be, will be considered the sole owner of the Debentures for the purposes of receiving notices or payments on the Debentures. In such circumstances, iA Financial Corporation's responsibility and liability in respect of notices or payments on the Debentures is limited to giving notice or making payment of any principal, premium, if any, redemption price, if any, and interest due on the Debentures to CDS or its nominee.

Each holder must rely on the procedures of CDS and, if such holder is not a participant, on the procedures of the participant through which such holder owns its interest, to exercise any rights with respect to the Debentures. iA Financial Corporation understands that under existing policies of CDS and industry practices, if iA Financial Corporation requests any action of holders or if a holder desires to give any notice or take any action which a registered holder is entitled to give or take with respect to the Debentures, CDS would authorize the participant acting on behalf of the holder to give such notice or to take such action, in accordance with the procedures established by CDS or agreed to from time to time by iA Financial Corporation, the Trustee and CDS. Any holder that is not a participant must rely on the contractual arrangement it has directly, or indirectly through its financial intermediary, with its participant to give such notice or take such action.

None of iA Financial Corporation, the Agents or the Trustee identified in this Prospectus Supplement, as applicable, will have any liability or responsibility for (i) records maintained by CDS relating to beneficial ownership interests in book-entry notes that are Debentures held by CDS or the book-entry accounts maintained by CDS, (ii) maintaining, supervising or reviewing any records relating to any such beneficial ownership interests, or (iii) any advice or representation made by or with respect to CDS and contained herein or in the Trust Indenture with respect to the rules and regulations of CDS or at the direction of the participants.

### **Events of Default**

The Trust Indenture will provide that an event of default in respect of the Debentures (an "**Event of Default**") will occur if iA Financial Corporation becomes bankrupt or insolvent, acknowledges its insolvency, consents to the institution of bankruptcy or insolvency proceedings against it, resolves to wind-up or liquidate, is ordered wound-up or liquidated, makes a general assignment for the benefit of its creditors, or a receiver of a substantial portion of iA Financial Corporation's property is appointed.

### ***Effect of an Event of Default***

If an Event of Default has occurred and is continuing, the Trustee may, in its discretion and shall, upon request of holders of not less than 25% of the principal amount of the Debentures, declare the principal of and interest on all outstanding Debentures to be immediately due and payable. However, the holders of a majority in principal amount of the Debentures by written notice to the Trustee may, under certain circumstances, instruct the Trustee to waive any Event of Default and/or to cancel any such declaration. There is no right of acceleration in the case of a default in the performance of any covenant of iA Financial Corporation in the Trust Indenture, although a legal action could be brought by the Trustee to enforce such covenant.

Holders of the Debentures may, by an Extraordinary Resolution, direct, control or authorize the actions of the Trustee or of any holder of Debentures bringing an action after the failure of the Trustee to act in any proceedings against iA Financial Corporation. Whenever an Event of Default has occurred, the Trustee, in the exercise of its discretion, may proceed to enforce the rights of the Trustee and the holders of the Debentures by any action, suit, remedy or proceeding authorized or permitted by law or by equity and may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and holders of the Debentures lodged in any bankruptcy, insolvency, winding-up or other judicial proceedings relative to iA Financial Corporation.

### ***Legal Proceedings and Enforcement of Right of Payment***

You will not have any right to institute any proceeding in connection with the Trust Indenture or for any remedy under the Trust Indenture, unless:

- you have previously given to the Trustee written notice of the occurrence of an Event of Default with respect to the Debentures;
- the holders of Debentures, by Extraordinary Resolution, have made a request to the Trustee to take action and the Trustee has been offered a reasonable opportunity to exercise its powers or to institute a proceeding in its name on behalf of the holders;
- the holders of Debentures have provided the Trustee, when requested, with sufficient funds and an indemnity; and
- the Trustee has failed to act within a reasonable time thereafter.

### **Open Market Purchases**

Subject to the prior consent of the AMF and provided that it is not in default under the Trust Indenture, iA Financial Corporation will have the right at any time, to purchase Debentures on the market or by tender (available to all holders of Debentures) or by private contract at any price. All Debentures that are purchased by iA Financial Corporation will be cancelled and will not be reissued. Notwithstanding the foregoing, any direct or indirect subsidiary of iA Financial Corporation may purchase Debentures in the ordinary course of its business of dealing in securities.

### **Amalgamation, Merger, Consolidation or Sale of Assets**

iA Financial Corporation may from time to time be involved in corporate reorganizations or other transactions which could involve the acquisition or divestiture of subsidiaries or assets. iA Financial Corporation may not, however, enter into any transaction by way of amalgamation, merger, reconstruction, reorganization, consolidation, transfer, sale, lease or otherwise, whereby all or substantially all of the aggregate undertakings, property and assets of iA Financial Corporation and its subsidiaries, taken as a whole, would become the property of another person, or in the case of an amalgamation, of the continuing corporation resulting therefrom (any such person or continuing corporation being referred to herein as the “successor entity”) (other than transactions between or among iA Financial Corporation and/or one or more of its subsidiaries or that do not involve a change in the beneficial ownership of iA Financial Corporation), but may do so if:

- the successor entity is either (i) iA Financial Corporation or one of its subsidiaries, or (ii) a corporation duly incorporated under the laws of Canada, the United States or any political subdivision of the foregoing;
- the successor entity assumes the liability for, and agrees to perform, all of iA Financial Corporation’s obligations under the Debentures and the Trust Indenture;
- where the successor entity is not organized under the laws of Canada or a province or territory thereof, such transaction is, to the satisfaction of the Trustee and in the opinion of counsel, upon such terms that would not cause any material adverse tax consequences to the holders of Debentures; and
- no condition or event exists in respect of iA Financial Corporation or the successor entity, either at the time of such transaction or immediately after giving full effect to such transaction, which constitutes or would, after the giving of notice or the lapse of time or both, constitute an Event of Default under the Trust Indenture.

### **Modification and Waiver**

#### ***Modification***

Subject to the voting rights discussed below, the Trust Indenture and the rights of the holders of Debentures may, in certain circumstances, be modified, including by way of an Extraordinary Resolution of the holders of Debentures. For that purpose, among others, the Trust Indenture will contain provisions making Extraordinary Resolutions binding upon all holders of Debentures.

## ***Waiver***

The holders of at least 50% of the principal amount of the affected Debentures then outstanding may, on behalf of the holders of all Debentures, waive any Event of Default under the Trust Indenture or, if possible, rescind or cancel any enforcement proceedings initiated by the Trustee, as each case relates to the Debentures and the consequences of such default.

## **Voting Rights**

Holders of Debentures will be entitled to vote as a group on all matters affecting the Debentures in general and must exercise their rights through Participants in accordance with the rules and procedures of CDS.

## **Repayment of Unclaimed Money**

Any amount paid by iA Financial Corporation to the Trustee or CDS that remains unclaimed at the end of three years after the amount is due to holders of Debentures, will, subject to applicable law, be repaid to iA Financial Corporation at its request. After that time, the holder of the Debentures will, subject to applicable law, be able to seek from iA Financial Corporation any payment (without interest) to which that holder may be entitled.

## **Governing Law**

The Debentures will be governed by and construed in accordance with the laws of the Province of Québec and the laws of Canada applicable therein.

## **USE OF PROCEEDS**

The estimated net proceeds to iA Financial Corporation from the sale of the Debentures offered under this Prospectus Supplement, after deducting the Agents' fee and the estimated expenses of issue, will amount to \$397,520,000 (assuming the Agents' fee is \$1,480,000 and the expenses are \$1,000,000). The net proceeds of this offering of Debentures will be used for general corporate purposes, consistent with iA Financial Corporation's business and growth strategy.

This issue will increase iA Financial Corporation's Tier 2 capital determined in accordance with the capital adequacy guideline established by the AMF. All expenses relating to the offering of the Debentures, including the fee paid to the Agents, will be paid out of iA Financial Corporation's general funds.

## **RATINGS**

It is a condition of closing of the offering that a final rating of at least "BBB (high)" from DBRS Limited ("**DBRS**") and "A-" from S&P Global Ratings, a division of S&P Global, Inc. ("**S&P**") using S&P's global scale for long-term debt obligations be obtained. The "BBB" rating category used by DBRS is the fourth highest of ten rating categories for long term debt. Long-term obligations rated "BBB" are of adequate credit quality. The capacity for the payment of financial obligations is considered acceptable, and may be vulnerable to future events. The assignment of a "(high)" or "(low)" modifier indicates relative standing within the rating category.

The "A" rating category used by S&P is the third highest of ten rating categories for long term debt. An obligation rated "A" indicates the obligor's capacity to meet its financial commitment is strong; however, the obligation is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rated categories. The addition of a plus (+) or minus (-) sign shows relative standing within the rating category.

Credit ratings are intended to provide investors with an independent measure of credit quality of any issue of securities. The credit ratings accorded to securities by the rating agencies are not recommendations to purchase, hold or sell the securities inasmuch as such ratings do not comment as to market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if in its judgment circumstances so

warrant, and if any such rating is so revised or withdrawn, iA Financial Corporation is under no obligation to update this Prospectus Supplement. Prospective purchasers of Debentures should consult the relevant rating organization with respect to the interpretation and implications of the foregoing ratings.

The Corporation has paid customary rating fees to each of DBRS and S&P (the “**Rating Agencies**”) in connection with the provision of ratings for the Debentures. The Corporation has paid customary fees to each of the Rating Agencies in connection with the provision of ratings for other securities and for certain other services provided during the last two years.

## **EARNINGS COVERAGE**

### **For the twelve months ended December 31, 2018**

iA Financial Corporation’s pro forma interest requirements for subordinated debentures and capital instrument liabilities amounted to \$71.0 million for the 12 months ended December 31, 2018 after giving effect to this offering and the other indebtedness of iA Financial Corporation. The Corporation’s earnings before interest and income tax for the 12 months ended December 31, 2018 were \$850.3 million, which was 12.0 times the Corporation’s aggregate interest requirements for this period after giving effect to this offering and the other indebtedness of iA Financial Corporation.

The earnings of iA Financial Corporation before the deduction of interest and amortization for discounts and premiums and issue expenses on the Debentures and income taxes for the 12 months ended December 31, 2018 amounted to \$850.3 million. This amount is approximately 14.6 times iA Financial Corporation’s interest expense for the 12 months ended December 31, 2018.

Other than amounts giving effect to this offering, all amounts appearing under this heading, “Earnings Coverage”, for the 12 months ended December 31, 2018 are derived from financial information which is audited.

### **For the twelve months ended June 30, 2019**

iA Financial Corporation’s pro forma interest requirements for subordinated debentures and capital instrument liabilities amounted to \$68.6 million for the 12 months ended June 30, 2019 after giving effect to this offering and the other indebtedness of iA Financial Corporation. The Corporation’s earnings before interest and income tax for the 12 months ended June 30, 2019 were \$891.2 million, which was 13.0 times the Corporation’s aggregate interest requirements for this period after giving effect to this offering and the other indebtedness of iA Financial Corporation.

The earnings of iA Financial Corporation before the deduction of interest and amortization for discounts and premiums and issue expenses on the Debentures and income taxes for the 12 months ended June 30, 2019 amounted to \$891.2 million. This amount is approximately 15.9 times iA Financial Corporation’s interest expense for the 12 months ended June 30, 2019.

All amounts appearing under this heading, “Earnings Coverage”, for the 12 months ended June 30, 2019 are derived from financial information which is not audited.

## **CONSOLIDATED CAPITAL AND INDEBTEDNESS**

Certain related financial data set forth below has been derived from iA Financial Corporation’s unaudited condensed consolidated financial statements and the notes thereto for the three and six month periods ended June 30, 2019.

The following table sets forth the consolidated capitalization of iA Financial Corporation as of June 30, 2019, before and after giving effect to the sale by iA Financial Corporation of the Debentures offered by this Prospectus Supplement. This table should be read in conjunction with the detailed information and financial statements appearing in the documents incorporated by reference in the Prospectus and this Prospectus Supplement.

	<b>June 30, 2019</b>	<b>June 30, 2019 as adjusted for the Debentures</b>
	(\$ millions)	(\$ millions)
Direct Unsecured 2.64% Fixed/Floating Subordinated Debentures <sup>(1)</sup> .....	249.3	249.3
Direct Unsecured 3.30% Fixed/Floating Subordinated Debentures <sup>(2)</sup> .....	398.4	398.4
Floating rate surplus notes based on LIBOR plus 4.25% <sup>(3)</sup> .....	3.8	3.8
Direct Unsecured 3.072% Fixed/Floating Subordinated Debentures (this offering of Debentures) <sup>(4)</sup> .....	-	397.5
Participating Policyholders' Account .....	45.6	45.6
Class A Preferred Shares Series B <sup>(5)</sup> .....	125.0	125.0
Class A Preferred Shares Series G <sup>(5)</sup> .....	250.0	250.0
Class A Preferred Shares Series I <sup>(5)</sup> .....	150.0	150.0
Common Shareholders' Equity .....	5,288.0	5,288.0
<b>Total Capital and Indebtedness .....</b>	<b>6,510.1</b>	<b>6,907.6</b>

1) The debentures were issued by a subsidiary on February 23, 2015 under a prospectus supplement dated February 18, 2015.

2) The debentures were issued by a subsidiary on September 16, 2016 under a prospectus supplement dated September 13, 2016.

3) Issued by a subsidiary, maturing in May 2034.

4) Nominal amount of \$400,000,000 less transaction costs of \$2,480,000.

5) Issued by a subsidiary.

## CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Norton Rose Fulbright Canada LLP, counsel to iA Financial Corporation, and McCarthy Tétrault LLP, counsel to the Agents, the following is, at the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to a holder of Debentures, who acquires Debentures pursuant to this offering and who, at all relevant times, for purposes of the Tax Act, is resident in Canada or deemed to be resident in Canada, holds the Debentures as capital property, deals with iA Financial Corporation at arm's length and is not affiliated with iA Financial Corporation, which we refer to as a Holder. Generally, the Debentures will be considered capital property to a holder provided that the holder does not acquire, use or hold the Debentures in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain holders whose Debentures might not otherwise qualify as capital property may make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have the Debentures and every "Canadian security" (as defined in the Tax Act) owned by such holder in the taxation year of election and all subsequent taxation years deemed to be capital property.

This summary is not applicable to a Holder (i) that is a "financial institution" (as defined in the Tax Act), for purposes of the mark-to-market rules, (ii) an interest in which would be a "tax shelter investment" (as defined in the Tax Act), (iii) that makes or has made a "functional currency" election under the Tax Act to determine its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian currency or (iv) that has entered into or will enter into a "derivative forward agreement" (as defined in the Tax Act) in respect of the Debentures. Any such Holder to which this summary does not apply should consult its own tax advisor with respect to the tax consequences of acquiring, holding and disposing of the Debentures.

This summary is based upon the facts set out in the Prospectus and this Prospectus Supplement, the provisions of the Tax Act and the regulations thereunder, which we refer to as the Regulations, in force at the date of this Prospectus Supplement, all specific proposals to amend the Tax Act and Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, which we refer to as Proposed Amendments, and counsel's understanding of the current administrative policies and assessment practices of the Canada Revenue Agency, which we refer to as the CRA, published in writing by it prior to the date hereof. There can be no assurance that the Proposed Amendments will be implemented in their current form or at all. This summary does

not otherwise take into account or anticipate any changes of law or practice, whether by judicial, governmental or legislative decision or action or changes in the administration policies or assessment practices of the CRA, nor does it take into account other federal tax legislation or consideration or the tax legislation or considerations of any province or foreign jurisdiction. The provisions of provincial income tax legislation vary from province to province in Canada and in some cases differ from federal income tax legislation.

**This summary is not exhaustive of all Canadian federal income tax considerations that may be relevant to a particular Holder. This summary is not intended to be, and should not be interpreted as, legal or tax advice to any particular Holder. Accordingly, prospective purchasers should consult their own tax advisors for advice with respect to the tax consequences to them of acquiring, holding and disposing of Debentures, including the application and effect of the income and other tax laws of any country, province, territory, state or local tax authority.**

A Holder that is a corporation, partnership, unit trust or trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year all interest on a Debenture (or amount that is deemed for the purposes of the Tax Act to be interest on a Debenture) that accrues or is deemed to accrue to such Holder to the end of that taxation year or that becomes receivable or is received by such Holder before the end of that taxation year, to the extent that such interest (or amount deemed to be interest) was not otherwise included in computing the Holder's income for a preceding taxation year.

Any other Holder, including an individual or a trust (other than a trust described in the preceding paragraph), will be required to include in computing its income for a taxation year all interest on the Debentures that is received or receivable by such Holder in that taxation year (depending on the method regularly followed by the Holder in computing income) to the extent that such interest (or amount deemed to be interest) was not otherwise included in computing the Holder's income for a preceding taxation year.

Any amount paid by iA Financial Corporation to a Holder as a penalty or bonus because of the redemption of or repurchase by it of a Debenture before the maturity thereof will be deemed to be interest received on the Debenture by the Holder at the time of payment to the extent that such amount can reasonably be considered to relate to, and does not exceed the value at the time of redemption or repurchase of, the interest that would have been paid or payable by iA Financial Corporation on the Debenture for a taxation year of iA Financial Corporation ending after the redemption or repurchase. Such deemed interest will be required to be included in computing the Holder's income in the manner described above.

On a disposition or deemed disposition of a Debenture, whether on maturity, redemption, purchase for cancellation or otherwise, a Holder will generally be required to include in computing its income for the taxation year in which the disposition occurs the amount of interest (including amounts deemed to be interest) accrued on the Debenture from the date of the last interest payment to the date of disposition to the extent that such amount has not otherwise been included in the Holder's income for that taxation year or a preceding taxation year.

In addition, the disposition or deemed disposition of a Debenture will generally give rise to a capital gain (or a capital loss) to the extent that the proceeds of disposition, net of any amount included in the Holder's income as interest, exceed (or are less than) the aggregate of the adjusted cost base of the Debenture to the Holder immediately before the disposition and any reasonable costs of disposition. Generally, one-half of a capital gain (a "**taxable capital gain**") will be included in the Holder's income, and one-half of a capital loss (an "**allowable capital loss**") must be deducted against taxable capital gains realized by such Holder in the same taxation year. Any excess of allowable capital losses over taxable capital gains may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation years and applied against net taxable capital gains realized in such years in accordance with the detailed rules contained in the Tax Act. Capital gains realized by an individual or by most trusts may give rise to liability for alternative minimum tax.

A Holder that is throughout the relevant taxation year a "**Canadian-controlled private corporation**" (as defined in the Tax Act) may be liable to pay an additional tax (refundable in certain circumstances) on certain investment income, including amounts of interest and taxable capital gains earned or realized in respect of the Debentures.



## PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement, iA Financial Corporation has agreed to sell and the Agents have agreed to use their reasonable best efforts to obtain purchasers to purchase on September 24, 2019, or on such other date not later than October 8, 2019 as may be agreed upon, subject to the terms and conditions contained therein, \$400,000,000 principal amount of Debentures at a price of \$1,000 per \$1,000 principal amount for a total consideration of \$400,000,000 plus accrued interest, if any, from September 24, 2019 to the date of delivery, payable in cash to iA Financial Corporation against delivery of the Debentures. The Agency Agreement provides that the Agents will be paid an agency fee per \$1,000 principal amount of Debentures equal to \$3.70 for each \$1,000 principal amount of Debentures sold. In the event the full amount of the Debentures are not sold, the fee paid to the Agents will be reduced accordingly.

The obligations of the Agents under the Agency Agreement may be terminated at their discretion upon the occurrence of certain stated events, including standard “disaster out”, “market out”, “material change out”, “litigation or regulatory out” and “credit rating out” rights of termination.

While the Agents have agreed to use their reasonable best efforts to sell the Debentures offered hereby, they are not obligated to purchase any Debentures which are not sold.

The Agency Agreement does not contain a minimum offering restriction on the sale of the Debentures to the public.

Pursuant to policy statements of the Ontario Securities Commission and the AMF, the Agents may not, throughout the period of distribution under this Prospectus Supplement, bid for or purchase the Debentures. The foregoing restriction is subject to certain exceptions, as long as the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in or raising the price of the Debentures. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer when the order was not solicited during the period of distribution.

The decision to distribute the Debentures and the determination of the terms of the distribution were made through negotiations between iA Financial Corporation and the Agents.

**Industrial Alliance Securities Inc., one of the Agents, is an indirect subsidiary of iA Financial Corporation. Therefore, iA Financial Corporation is a “related issuer” of Industrial Alliance Securities Inc. under applicable securities legislation by virtue of iA Financial Corporation’s indirect interest in Industrial Alliance Securities Inc. The terms of the offering were negotiated at arm’s length among iA Financial Corporation and the Agents. Industrial Alliance Securities Inc. will not receive any benefit in connection with the offering other than as described herein.**

Under applicable securities legislation, BMO Nesbitt Burns Inc. and TD Securities Inc. are independent dealers acting as agents in connection with this offering and are not related or connected to iA Financial Corporation. In that capacity, BMO Nesbitt Burns Inc. and TD Securities Inc. have participated with all other Agents in due diligence meetings relating to this Prospectus Supplement with iA Financial Corporation and its representatives, have reviewed this Prospectus Supplement and have had the opportunity to propose such changes to this Prospectus Supplement as they considered appropriate. In addition, BMO Nesbitt Burns Inc. and TD Securities Inc. have participated, together with the other Agents, in the structuring and pricing of this offering.

iA Financial Corporation reserves the right to accept or reject any subscription in whole or in part.

Each of the Agents has represented and agreed that it will not solicit offers to purchase or sell the Debentures so as to require registration thereof or filing of a prospectus with respect thereto under the laws of any jurisdiction including, without limitation, the United States, except as set forth in the Agency Agreement.

The offering is being made concurrently in all provinces of Canada. The Debentures have not been and will not be registered under the *Securities Act of 1933* of the United States of America, as amended (the “U.S.

**Securities Act**) or any state securities laws and may not be offered, sold or delivered, directly or indirectly, within the United States, its territories, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act).

This Prospectus Supplement does not constitute an offer to sell or a solicitation of an offer to buy any of the Debentures in the United States.

## **RISK FACTORS**

An investment in the Debentures is subject to various risks, including those risks inherent in investing in a diversified financial institution. Before deciding whether to invest in the Debentures, investors should consider carefully the risks relating to iA Financial Corporation described below and in the information incorporated by reference in the Prospectus and this Prospectus Supplement (including subsequently filed documents incorporated by reference).

### **General**

Prospective investors should consider the categories of risks identified and discussed under “Risk Factors” in the Prospectus, under “Risk Factors” in iA Financial Corporation’s most recent annual information form, in iA Financial Corporation’s management’s discussion and analysis for the most recent audited consolidated financial statements under “Risk Management”, in the “Management of Risks Associated with Financial Instruments”, “Management of Insurance Risk” and “Insurance Contract Liabilities and Investment Contract Liabilities” notes to iA Financial Corporation’s most recent audited consolidated financial statements, and elsewhere in iA Financial Corporation’s filings with Canadian securities regulators, which are available for review at [www.sedar.com](http://www.sedar.com). These sections discuss, among other things, known material trends and events, and risks or uncertainties that are reasonably expected to have a material effect on iA Financial Corporation’s business, financial condition or results of operations. Additional risks and uncertainties not currently known to the Corporation, or that the Corporation currently deems immaterial, may also materially and adversely affect its business. We cannot assure you that any of the events discussed in the risk factors below will not occur. If any of such events does occur, you may lose all or part of your original investment in the securities distributed under this Prospectus Supplement.

### **Credit Ratings**

The value of the Debentures will be affected by the general creditworthiness of iA Financial Corporation. The credit ratings applied to the Debentures are an assessment, by each rating agency, of the Corporation’s ability to pay its obligations when due. The credit ratings are based on certain assumptions about the future performance and capital structure of the Corporation that may or may not reflect the actual performance or capital structure of the Corporation. Real or anticipated changes in credit ratings on the Debentures will generally affect the market value of the Debentures. No assurance can be given that any credit rating assigned to the Debentures will not be lowered or withdrawn entirely by the relevant rating agency.

In addition, real or anticipated changes in credit ratings could affect the cost at which iA Financial Corporation can transact or obtain funding, thereby affecting iA Financial Corporation’s liquidity, business, financial condition or results of operations.

### **IAIFS Financial Strength and Credit Ratings**

Credit rating agencies publish financial strength ratings on life insurance companies, including IAIFS, that are indicators of an insurance company’s ability to meet contract holder and policyholder obligations. Credit rating agencies also assign credit ratings, which are indicators of an issuer’s ability to meet the terms of its obligations in a timely manner and are important factors in a company’s overall funding profile and ability to access external capital.

Ratings are important factors in establishing the competitive position of insurance companies, including IAIFS, maintaining public confidence in products being offered, and determining the cost of capital. A ratings

downgrade affecting IAIFS, or the potential for such a downgrade could, among other things: increase IAIFS's cost of capital and limit its access to the capital markets; cause some of its existing liabilities to be subject to acceleration, additional collateral support, changes in terms, or additional financial obligations; result in the termination of its relationships with broker-dealers, banks, agents, wholesalers and other distributors of its products and services; unfavourably impact its ability to execute on its hedging strategies; materially increase the number of surrenders, for all or a portion of the net cash values, by the owners of policies and contracts it has issued, and materially increase the number of withdrawals by policyholders of cash values from their policies; and reduce new sales. Any of these consequences could adversely affect its results of operations and financial condition, and as a result could affect the cost at which iA Financial Corporation can transact or obtain funding, thereby affecting iA Financial Corporation's liquidity, business, financial condition or results of operations.

In 2018, the credit ratings assigned to IAIFS remained unchanged, with a stable outlook, but there can be no guarantee that downgrades will not occur.

It is possible that there will be changes in the benchmarks for capital, liquidity, earnings and other factors used by these credit rating agencies that are important to a ratings assignment at a particular rating level. Any such changes could have a negative impact on IAIFS's ratings, which could adversely impact IAIFS and iA Financial Corporation's results of operations, financial condition and access to capital markets.

### **Market Value Fluctuation**

Prevailing interest rates on similar debt instruments will affect the market value of the Debentures. Assuming all other factors remain unchanged, the market value of the Debentures would be expected to decline as prevailing interest rates for comparable debt instruments rise, and would be expected to increase as prevailing interest rates for comparable debt instruments decline.

From time to time, the financial markets experience significant price and volume volatility that may affect the market price of the Debentures for reasons unrelated to iA Financial Corporation's performance. The continuing volatility in financial markets may adversely affect iA Financial Corporation and the market price of the Debentures. Also, the financial markets are generally characterized by extensive interconnections among financial institutions. As such, defaults by financial institutions in Canada, the United States or other countries could adversely affect iA Financial Corporation and the market price of the Debentures. Additionally, the value of the Debentures is subject to market value fluctuations based upon factors which influence iA Financial Corporation's operations, such as legislative or regulatory developments, competition, technological change and global capital market activity.

### **Absence of Trading Market**

There is currently no market through which the Debentures may be sold. No assurance can be given as to whether an active trading market will develop or be maintained for the Debentures. To the extent that an active trading market for the Debentures does not develop, the liquidity and trading prices for the Debentures may be adversely affected. If the Debentures are traded after their initial issuance, they may trade at a discount from their initial public offering price depending on prevailing interest rates, the market for similar securities, the performance of iA Financial Corporation and other factors.

### **Redemption of Debentures**

The Debentures are redeemable at iA Financial Corporation's option, as set forth in this Prospectus Supplement, and iA Financial Corporation may choose to redeem the Debentures from time to time, in accordance with its rights under the Trust Indenture, including when prevailing interest rates are lower than the rate borne by the Debentures. If prevailing rates are lower at the time of redemption, a purchaser would not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the Debentures being redeemed. iA Financial Corporation's redemption right also may adversely impact a purchaser's ability to sell Debentures as the optional redemption date or period approaches.

The redemption of the Debentures is subject to the consent of the AMF.

## **Floating Rate Debentures**

Investments in the Debentures, given their floating interest component, entail significant risks not associated with investments in fixed rate debentures. The resetting of the applicable rate on a floating rate debenture may result in lower interest compared to a fixed rate debenture issued at the same time. The applicable rate on a floating rate debenture will fluctuate in accordance with fluctuations in the instrument or obligation on which the applicable rate is based, which in turn may fluctuate and be affected by a number of interrelated factors, including economic, financial and political events over which iA Financial Corporation has no control.

The Canadian Dollar Offered Rate (“CDOR”) and other indices which are deemed “benchmarks” are the subject of recent national, international, and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, or have other consequences which cannot be predicted. At this time, it is not possible to predict the effect of any such changes, any establishment of alternative reference rates or any other reforms to CDOR that may be implemented. Uncertainty as to the nature of such potential changes, alternative reference rates or other reforms may adversely affect the trading market for debentures the interest on which is determined by reference to CDOR, including the Debentures issued pursuant to this Prospectus Supplement. More generally, any consequential changes to CDOR or any other “benchmark” as a result of international, national, or other proposals for reform or other initiatives or investigations, or any further uncertainty in relation to the timing and manner of implementation of such changes, could have a material adverse effect on the value of and return on any debentures based on or linked to a “benchmark”. If iA Financial Corporation, a relevant regulatory supervisor or relevant administrator determines that the 3-month CDOR has been permanently or indefinitely discontinued, the terms of the Debentures will require that iA Financial Corporation use alternative determination procedures which may include appointing a Calculation Agent to select an Alternate Rate. In so acting, neither iA Financial Corporation nor the Calculation Agent would assume any obligations or relationship of agency or trust, including, but not limited to, any fiduciary duties or obligations, for or with any of the holders of the Debentures. Any of the outcomes noted above may result in different than expected distributions and could materially affect the value of the Debentures.

## **No Limit on Debt / No Event Risk Protection**

The Debentures are direct unsecured subordinated obligations of iA Financial Corporation, ranking equally and ratably with each other (regardless of their actual dates of issue) and with all other unsecured subordinated indebtedness of iA Financial Corporation from time to time issued and outstanding. The Debentures will, however, rank senior in right of payment to the Guarantees. In the event of insolvency or winding up of iA Financial Corporation, the indebtedness evidenced by debentures issued by iA Financial Corporation, including the Debentures, will be subordinated in right of payment to the prior payment in full of all liabilities of iA Financial Corporation except liabilities which by their terms rank in right of payment equally with or subordinate to indebtedness evidenced by such Debentures. In addition, the Debentures will be structurally subordinated to the Subsidiaries’ Preferred Shares and all other indebtedness, policy liabilities and other liabilities of iA Financial Corporation’s subsidiaries, as more fully described under “No Guarantees / Structural Subordination” below.

Except to the extent regulatory capital requirements or undertakings affect iA Financial Corporation’s or its subsidiaries’ decisions to issue subordinated or more senior debt, there is no limit on iA Financial Corporation’s or any of its subsidiaries’ respective ability to incur additional subordinated or more senior debt.

Neither the Trust Indenture nor any of the trust indentures governing outstanding indebtedness of iA Financial Corporation’s subsidiaries contain any provision limiting the ability of iA Financial Corporation or of any of its subsidiaries to incur indebtedness generally, or that would afford holders protection should iA Financial Corporation be involved in a highly leveraged, change of control or similar transaction.

## **Holding Company Structure**

iA Financial Corporation is a holding company that relies on dividends and interest payments from its subsidiaries (insurance and others) as the principal source of cash flow to meet its obligations with respect to its indebtedness (including the Debentures). As a result, iA Financial Corporation’s cash flows and ability to service its obligations, including the Debentures, are dependent upon the earnings of its subsidiaries and the distribution

of those earnings and other funds by its subsidiaries to it. All of iA Financial Corporation's business is currently conducted through its subsidiaries.

IAIFS is iA Financial Corporation's principal operating subsidiary. The payment of dividends to iA Financial Corporation by IAIFS is subject to restrictions set out in the *Insurers Act* (Québec). The *Insurers Act* (Québec) prohibits the declaration or payment of any dividend on shares of a regulated business corporation if there are reasonable grounds for believing that the corporation is, or would after the payment be, unable to maintain adequate assets to meet its liabilities, as and when they become due, and adequate capital to ensure its sustainability. All of iA Financial Corporation's operating insurance companies are subsidiaries of IAIFS. Accordingly, a restriction on dividends from IAIFS would prevent iA Financial Corporation from obtaining dividends from its insurance business.

Certain of iA Financial Corporation's other insurance subsidiaries are subject to insurance laws in other jurisdictions in which these subsidiaries are domiciled and/or carry activities, including, without limitation, the United States, which impose general limitations on the payment of dividends and other upstream distributions by these subsidiaries to IAIFS. In addition, the ability of iA Financial Corporation's insurance subsidiaries to pay dividends to iA Financial Corporation in the future will depend on their earnings and regulatory restrictions. These subsidiaries are subject to a variety of insurance and other laws and regulations that vary by jurisdiction and are intended to protect policyholders and beneficiaries in that jurisdiction first and foremost, rather than investors. These subsidiaries are generally required to maintain solvency and capital standards as set by their local regulators and may also be subject to other regulatory restrictions, all of which may limit the ability of subsidiary companies to pay dividends or make distributions to iA Financial Corporation. Such limits could have a material adverse effect on iA Financial Corporation's liquidity, including its ability to service its debt, including the Debentures.

Potential changes to regulatory capital and actuarial and accounting standards could also limit the ability of the insurance subsidiaries to pay dividends or make distributions and could have a material adverse effect on iA Financial Corporation's liquidity and on internal capital mobility, including on iA Financial Corporation's ability to service its debt, including the Debentures. iA Financial Corporation may be required to raise additional capital, which could be dilutive to existing shareholders, or to limit the new business it writes, or to pursue actions that would support capital needs but adversely impact its subsequent earnings potential. In addition, the timing and outcome of these initiatives could have a significantly adverse impact on iA Financial Corporation's competitive position relative to that of Canadian and international financial institutions with which iA Financial Corporation competes for business and capital.

iA Financial Corporation seeks to maintain capital in its insurance subsidiaries in excess of the minimum required in all jurisdictions in which such subsidiaries do business. The minimum requirements in each jurisdiction may increase due to regulatory changes and iA Financial Corporation may decide to maintain additional capital in its operating subsidiaries to fund expected growth of the business or to deal with changes in the risk profile of such subsidiaries. Any such increases in the level of capital may reduce the ability of the operating companies to pay dividends and have a material adverse effect on iA Financial Corporation's liquidity.

#### **No Guarantees / Structural Subordination**

The Debentures are obligations exclusively of iA Financial Corporation and are not guaranteed by any of its subsidiaries, and its subsidiaries have no obligation to pay any amounts due on the Debentures. Furthermore, except to the extent iA Financial Corporation has a priority or equal claim against its subsidiaries as a creditor, the Debentures will be structurally subordinated to debt and preferred stock at the subsidiary level because, as the direct or indirect common shareholder of its subsidiaries, iA Financial Corporation will be subject to the prior claims of creditors of its subsidiaries. As a result, a holder of Debentures will not have any claim as a creditor against iA Financial Corporation's subsidiaries. Accordingly, the Debentures are structurally subordinated to all liabilities of iA Financial Corporation's subsidiaries, including liabilities to policyholders and contract holders, and to the Subsidiaries' Preferred Shares. Therefore, holders of Debentures should rely only on iA Financial Corporation's assets for payments on the Debentures.

Issued and outstanding series of preferred shares and debentures remain issued by IAISF and have been guaranteed by iA Financial Corporation in accordance with the terms of the Arrangement. As of June 30, 2019,

iA Financial Corporation's subsidiaries had \$1,178.9 million of aggregate principal amount of debentures and outstanding preferred shares.

### **Changes in Regulatory Framework and Prudential Regulatory Supervision**

The operations of the Corporation's regulated subsidiaries are subject to a variety of insurance and other laws and regulations as well as supervision by regulators. Financial authorities and regulators, including the AMF, have reviewed (and in some cases, enhanced) their requirements and are considering further changes. Insurance company prudential regulators in Canada are currently focused on insurance company's compliance with their requirements relating to risk management systems and procedures and appropriate corporate governance procedures, among others. Failure to comply with laws or to conduct the business of the Corporation's subsidiaries consistent with changing regulatory expectations and requirements could adversely affect the Corporation and may also lead to regulatory steps, proceedings, penalties and litigation.

From time to time, regulators raise issues during examinations or audits of iA Financial Corporation's regulated subsidiaries that could have a material adverse impact on the Corporation. The Corporation cannot predict whether or when regulatory actions may be taken that could adversely affect operations of iA Financial Corporation's subsidiaries. In addition, the application of regulations by regulators may change and laws may be enacted with retroactive effect, and new and revised guidelines and other regulatory requirements may be adopted, particularly in areas such as corporate risk management, capital requirements, corporate governance, accounting or statutory reserve requirements. For further discussion of legal and regulatory compliance risk, please refer to "Legal and Regulatory Compliance Risk" in iA Financial Corporation's management's discussion and analysis for the most recent audited consolidated financial statements.

### **Limited Remedies for Non-payment**

The Trust Indenture provides that an Event of Default in respect of the Debentures will occur only if iA Financial Corporation becomes bankrupt or insolvent, acknowledges its insolvency, consents to the institution of bankruptcy or insolvency proceedings against it, resolves to wind-up or liquidate, is ordered wound-up or liquidated, makes a general assignment for the benefit of its creditors, or a receiver of a substantial portion of iA Financial Corporation's property is appointed. A failure to pay amounts due on the Debentures does not contractually confer a right of acceleration or a right to institute any such proceedings.

### **TRUSTEE**

The Trustee for the Debentures is Computershare Trust Company of Canada at its office in Montréal, Québec.

### **LEGAL MATTERS**

Certain legal matters in connection with the issue and sale of the Debentures will be passed upon by Norton Rose Fulbright Canada LLP on behalf of iA Financial Corporation and by McCarthy Tétrault LLP on behalf of the Agents. As of the date of this Prospectus Supplement, the partners, associates and counsel of Norton Rose Fulbright Canada LLP, as a group, and McCarthy Tétrault LLP, as a group, respectively, beneficially own, directly or indirectly, less than 1% of the outstanding securities of iA Financial Corporation.

### **INDEPENDENT AUDITOR**

Deloitte LLP, Québec City, Québec, is the external independent auditor who prepared the independent auditors' report to the shareholders of the Corporation on the consolidated financial statements of iA Financial Corporation, which comprise the consolidated statements of financial position as at December 31, 2018 and December 31, 2017, and the consolidated income statements, consolidated comprehensive income statements, consolidated equity statements and consolidated cash flows statements for the years then ended, and a summary of significant accounting policies and other explanatory information, incorporated by reference in this Prospectus Supplement and the accompanying Prospectus. Deloitte LLP is independent within the meaning of the Code of Ethics of the Ordre des Comptables Professionnels Agréés du Québec.

## **PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revision of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

**CERTIFICATE OF THE AGENTS**

Dated: September 19, 2019

To the best of our knowledge, information and belief, the short form base shelf prospectus dated February 12, 2019, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces of Canada.

**BMO NESBITT BURNS INC.      TD SECURITIES INC.**

By: *(Signed)* ANNIE LAPOINTE      By: *(Signed)* GREG McDONALD

**NATIONAL BANK FINANCIAL INC.**

By: *(Signed)* MAXIME BRUNET

**CIBC WORLD MARKETS  
INC.**

**RBC DOMINION  
SECURITIES INC.**

**SCOTIA CAPITAL  
INC.**

By: *(Signed)* SHANNAN M. LEVERE      By: *(Signed)* ANDREW FRANKLIN      By: *(Signed)* GRAHAM FRY

**INDUSTRIAL ALLIANCE SECURITIES INC.**

By: *(Signed)* FRED WESTRA



## Short Form Base Shelf Prospectus

*This short form base shelf prospectus has been filed under legislation in each of the provinces of Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.*

*This short form base shelf prospectus is not an offer to sell these securities and it is not soliciting an offer to purchase these securities in any jurisdiction where the offer or sale is not permitted.*

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

*Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Vice President, Legal Services and Corporate Secretary of iA Financial Corporation Inc. at 1080 Grande Allée West, Québec City, Québec, G1S 1C7, telephone (418) 684-5000, and are also available electronically at [www.sedar.com](http://www.sedar.com).*

## Short Form Base Shelf Prospectus

*New Issue*

February 12, 2019



**\$2,000,000,000**

**Debt Securities**  
**Class A Preferred Shares**  
**Common Shares**  
**Subscription Receipts**  
**Warrants**  
**Share Purchase Contracts**  
**Units**

iA Financial Corporation Inc. (“**iA Financial Corporation**”) may from time to time offer and issue the following securities: (i) senior or subordinated unsecured debt securities (collectively, the “**Debt Securities**”); (ii) class A preferred shares (“**Class A Preferred Shares**”); (iii) common shares (“**Common Shares**”); (iv) subscription receipts (“**Subscription Receipts**”); (v) warrants (“**Warrants**”); (vi) share purchase contracts (“**Share Purchase Contracts**”), and (vii) units (“**Units**”) comprised of one or more of the other securities described in this short form base shelf prospectus (the “**Prospectus**”). The Debt Securities, the Class A Preferred Shares, the Common Shares, the Subscription Receipts, the Warrants, the Share Purchase Contracts and the Units (collectively, the “**Securities**”) offered hereby may be offered separately or together, in separate series, if applicable, in amounts, at prices and on terms to be set forth in an accompanying prospectus supplement (a “**Prospectus Supplement**”) to this Prospectus.

iA Financial Corporation may sell up to \$2,000,000,000 in aggregate initial offering amount of Securities (or the Canadian dollar equivalent thereof if any of the Securities are denominated in a foreign currency or currency unit) or, if any Debt Securities are issued at an original issue discount, such greater amount as shall result in an aggregate issue price of \$2,000,000,000 (or the Canadian dollar equivalent thereof if the Debt Securities are denominated in a foreign currency or currency unit) at any time and from time to time during the 25 month period that this Prospectus, including any amendments thereto, remains valid.

The specific terms of the Securities in respect of which this Prospectus is being delivered will be set forth in the applicable Prospectus Supplement and may include, where applicable: (i) in the case of the Debt Securities, the specific designation, aggregate principal amount, the currency or the currency unit for which such securities may be purchased, maturity, interest provisions (if any), authorized denominations, ranking, offering price, any terms for redemption at the option of iA Financial

Corporation or the holder, any exchange or conversion terms and any other specific terms; (ii) in the case of the Class A Preferred Shares, the designation of the particular series, aggregate amount, the number of shares offered, the issue price, the dividend rate, the dividend payment dates, any exchange, conversion, redemption or repurchase provisions and any other specific terms; (iii) in the case of the Common Shares, the number of shares and the offering price; (iv) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price, the procedures for the exchange of the Subscription Receipts for Debt Securities, Class A Preferred Shares or Common Shares, as the case may be, and any other specific terms; (v) in the case of Warrants, the designation, number and terms of the Debt Securities, Class A Preferred Shares or Common Shares purchasable upon exercise of the Warrants, any procedures that will result in the adjustment of those numbers, the exercise price, dates and periods of exercise, the currency in which the Warrants are issued and any other specific terms; (vi) in the case of Share Purchase Contracts, whether the Share Purchase Contracts obligate the holder thereof to purchase or sell Common Shares or Class A Preferred Shares, as the case may be, and the nature and amount of each of those securities and any other specific terms; and (vii) in the case of Units, the designation and terms of the Units and of the Securities comprising the Units and any other specific terms. A Prospectus Supplement may include other specific terms pertaining to the Securities that are not precluded by the parameters described in this Prospectus.

This Prospectus does not qualify for the issuance of Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to one or more underlying interests including, for example, an equity or debt security, a statistical measure of economic or financial performance including, but not limited to, any currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items. For greater certainty, this Prospectus may qualify for the issuance of Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to published rates of a central banking authority or one or more financial institutions, such as a prime rate or bankers' acceptance rate, or to recognized market benchmark interest rates such as LIBOR, EURIBOR or a U.S. Federal funds rate.

This Prospectus does not qualify for the issuance of Share Purchase Contracts which would constitute derivatives or hybrid products subject to derivative legislation in Canada, including the *Derivatives Act* (Québec).

All information permitted under applicable securities laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. Each Prospectus Supplement will be deemed to be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of such Prospectus Supplement but only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains. iA Financial Corporation's head and registered office is located at 1080 Grande Allée West, Québec City, Québec, G1S 1C7. The outstanding Common Shares are currently listed on the Toronto Stock Exchange. **Unless otherwise specified in the applicable Prospectus Supplement, the Debt Securities, the Subscription Receipts, the Warrants, the Share Purchase Contracts and the Units will not be listed on any stock exchange or quotation system.**

The Securities may be sold through underwriters or dealers, by iA Financial Corporation directly pursuant to applicable statutory exemptions, or through agents designated by iA Financial Corporation from time to time. The applicable Prospectus Supplement will identify each underwriter, dealer or agent, as the case may be, engaged in connection with the offering and sale of those Securities, and will also set forth the terms of the offering of such Securities including the net proceeds to iA Financial Corporation and, to the extent applicable, any fees payable to the underwriters, dealers or agents. No underwriter or dealer in Canada has been involved in the preparation of this Prospectus or performed any review of the contents of this Prospectus.

In connection with any underwritten offering of Securities, the underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See "Plan of Distribution".

In compliance with applicable Canadian securities laws, iA Financial Corporation delivered an undertaking to the applicable securities regulatory authorities that iA Financial Corporation will not distribute any Securities that are considered novel specified derivatives or asset-backed securities (as such terms are defined under applicable Canadian securities laws) at the time of distribution without pre-clearing with the applicable securities regulatory authorities the disclosure contained in the Prospectus Supplements pertaining to such Securities in accordance with applicable Canadian securities laws.

Unless otherwise noted or the context otherwise indicates, references to the "iA Financial Corporation" refers to Industrial Alliance Insurance and Financial Services Inc. ("IAIFS") prior to the Arrangement (as defined herein) and, following the

Arrangement, refers to iA Financial Corporation Inc. being the publicly traded corporation that is the “successor issuer”, as such term is defined in National Instrument 44-101 – *Short Form Prospectus Distributions* (“**NI 44-101**”), of IAIFS in respect of IAIFS’s previously issued common shares.

Unless otherwise specified in a Prospectus Supplement, an offering of Securities is subject to approval of certain legal matters on behalf of iA Financial Corporation by Norton Rose Fulbright Canada LLP.

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## CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements contained or incorporated by reference in this Prospectus, including those relating to iA Financial Corporation's strategies and other 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" or "goal" or other similar words or expressions, are forward-looking statements within the meaning of securities laws. Forward-looking statements include, but are not limited to, information concerning iA Financial Corporation's possible or assumed future operating results. In addition, any statement that may be made concerning iA Financial Corporation's expectations regarding ongoing business strategies and possible future action by iA Financial Corporation, including statements made by iA Financial Corporation with respect to the expected benefits of acquisitions or divestitures, are also forward-looking statements. These statements are not historical facts; they represent only iA Financial Corporation's expectations, estimates and projections regarding future events. Forward-looking statements include, without limitation, the information concerning possible or assumed future results of operations of iA Financial Corporation, including market guidance and sensitivity analysis. Although iA Financial Corporation 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 and they should not be interpreted as confirming market or analysts' expectations in any way.

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. Factors that could cause actual results to differ materially from expectations include, but are not limited to:

- market conditions that adversely affect iA Financial Corporation's capital position or its ability to raise capital;
- general business and economic conditions (including but not limited to performance and volatility of equity markets, interest rate fluctuations and movements in credit spreads, currency rates, investment losses and defaults, market liquidity and creditworthiness of guarantors, reinsurers and counterparties);
- level of competition and consolidation;
- changes in laws and regulations including tax laws;
- changes in accounting standards;
- changes in regulatory capital requirements;
- ability to execute strategic plans and changes to strategic plans;
- liquidity of iA Financial Corporation, including the availability of financing to satisfy existing financial liabilities on expected maturity dates when required;
- downgrades in iA Financial Corporation's financial strength or credit ratings;
- dependence on third party relationships including outsourcing arrangements;
- ability to maintain iA Financial Corporation's reputation;
- ability of iA Financial Corporation to receive sufficient funds from its subsidiaries;
- impairments of goodwill or intangible assets or the establishment of valuation allowances against future tax assets;
- insurance risks including product design and pricing, mortality, morbidity, longevity and policyholder behaviour including the occurrence of natural or man-made disasters, pandemic diseases and acts of terrorism;

- accuracy of estimates used in applying accounting policies and actuarial methods used by iA Financial Corporation;
- ability to market and distribute products through current and future distribution channels;
- accuracy of accounting policies and actuarial methods used by iA Financial Corporation;
- ability to implement effective hedging strategies and unforeseen consequences arising from such strategies;
- ability to source appropriate non-fixed income assets to back iA Financial Corporation's long dated liabilities;
- failure of information systems and Internet-enabled technology;
- breaches of computer security and privacy;
- the realization of losses arising from the sale of investments classified as available for sale;
- obligations to pledge additional collateral;
- the availability of letters of credit to provide capital management flexibility;
- accuracy of information received from counterparties and ability of counterparties to meet their obligations;
- the availability, affordability and adequacy of reinsurance;
- legal and regulatory proceedings, including tax audits, tax litigation or similar proceedings and including private legal proceedings and class actions relating to practices in the mutual fund, insurance, annuity and financial product distribution industries;
- ability to adapt products and services to the changing market;
- ability to attract and retain key executives, employees and agents;
- the appropriate use and interpretation of complex models or deficiencies in models used;
- acquisitions and iA Financial Corporation's ability to complete acquisitions including the availability of equity and debt financing for this purpose;
- unforeseen liabilities or asset impairments arising from acquisitions and dispositions of businesses;
- the disruption of or changes to key elements of iA Financial Corporation's or public infrastructure systems;
- environmental concerns; and
- ability to protect intellectual property and exposure to claims of infringement.

Additional information about 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 section "Risk Factors" in this Prospectus, in the section "Risk Factors" in iA Financial Corporation's most recent annual information form, in the "Risk Management" section of iA Financial Corporation's management's discussion and analysis for the most recent audited consolidated financial statements, in the "Management of Risks Associated with Financial Instruments", "Management of Insurance Risk" and "Insurance Contract Liabilities and Investment Contract Liabilities" notes to iA Financial Corporation's most recent audited consolidated financial statements, and elsewhere in iA Financial Corporation's filings with Canadian securities regulators, which are available for review at [www.sedar.com](http://www.sedar.com).

The forward-looking statements in this Prospectus or the documents incorporated by reference in this Prospectus reflect, unless otherwise indicated, iA Financial Corporation's expectations as of the date of this Prospectus or the documents incorporated by reference in this Prospectus. iA Financial Corporation does not undertake any obligation to update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this Prospectus or to reflect the occurrence of unanticipated events, except as required by law.

## NON-IFRS FINANCIAL INFORMATION

iA Financial Corporation reports its financial results and statements in accordance with International Financial Reporting Standards ("IFRS"). It also publishes certain financial measures 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 used for iA Financial Corporation's audited financial statements. These non-IFRS financial measures are often accompanied by and reconciled with IFRS financial measures. For certain non-IFRS financial measures, there are no directly comparable amounts under IFRS. iA Financial Corporation believes that these non-IFRS financial measures provide additional information to better understand iA Financial Corporation's financial results and assess its growth and earnings potential, and that they facilitate comparison of the quarterly and full-year results of iA Financial Corporation's ongoing operations. Since non-IFRS financial 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. iA Financial Corporation 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.

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 iA Financial Corporation'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 iA Financial Corporation's surplus funds).

Sales is a non-IFRS measure used to assess iA Financial Corporation'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 iA Financial Corporation'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 iA Financial Corporation's management's discussion and analysis for the most recent audited consolidated financial statements and iA Financial Corporation's management's discussion and analysis for the most recent unaudited interim condensed consolidated financial statements.

Core earnings per common share is a non-IFRS measure used to better understand the capacity of iA Financial Corporation 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.

## DOCUMENTS INCORPORATED BY REFERENCE

On January 1, 2019, IAIFS and iA Financial Corporation completed a transaction pursuant to which iA Financial Corporation became the holding company owning all the common shares of IAIFS by way of a court-approved plan of arrangement pursuant to the *Company Act* (Quebec) and the *Business Corporations Act* (Quebec) (the “**Arrangement**”). As a result of the Arrangement, iA Financial Corporation owns all of the outstanding common shares of IAIFS and common shareholders of IAIFS became common shareholders of iA Financial Corporation. Since iA Financial Corporation is the “successor issuer”, as such term is defined in NI 44-101, of IAIFS in respect of IAIFS’s previously issued common shares, documents incorporated herein by reference of iA Financial Corporation, which were filed prior to January 1, 2019, relate to documents filed by IAIFS and documents incorporated herein by reference of iA Financial Corporation, which are filed following January 1, 2019, relate to documents filed or to be filed by iA Financial Corporation.

The following documents, which have been filed by iA Financial Corporation with the securities commissions or similar authorities in each of the provinces of Canada, are incorporated by reference into and form an integral part of this Prospectus:

- (a) iA Financial Corporation’s Annual Information Form dated February 15, 2018 for the year ended December 31, 2017;
- (b) iA Financial Corporation’s audited consolidated financial statements and the notes thereto as at and for the years ended December 31, 2017 and 2016, together with the independent auditor’s report thereon and the report of the appointed actuary for the years ended December 31, 2017 and 2016, as set out on page 3 of the audited consolidated financial statements;
- (c) iA Financial Corporation’s management’s discussion and analysis dated February 15, 2018 for the audited consolidated financial statements referred to in paragraph (b);
- (d) iA Financial Corporation’s unaudited interim condensed consolidated financial statements and the notes thereto for the three and nine month period ended September 30, 2018 and 2017;
- (e) iA Financial Corporation’s management’s discussion and analysis dated November 7, 2018 for the unaudited interim condensed consolidated financial statements referred to in paragraph (d);
- (f) iA Financial Corporation’s information circular for the solicitation of proxies dated March 23, 2018 in connection with the annual meeting of shareholders and participating policyholders and the special meeting of shareholders held on May 10, 2018 (the “**Circular**”), excluding (i) the fairness opinion attached as Schedule E of the Circular and all references to that fairness opinion in the Circular, (ii) Section “Canadian Federal Income Tax Considerations” at pages 73-76 of the Circular and all references to such Section in the Circular and (iii) Section “United States Federal Income Tax Considerations” at pages 77-79 of the Circular and all references to such Section in the Circular;
- (g) iA Financial Corporation’s material change report dated and filed on June 12, 2018 with respect to the retirement of Mr. Yvon Charest and appointment of Mr. Denis Ricard as President and Chief Executive Officer of IAIFS;
- (h) iA Financial Corporation’s material change report dated and filed on February 27, 2018 with respect to the Arrangement; and
- (i) iA Financial Corporation’s material change report dated and filed on January 2, 2019 with respect to the completion of the Arrangement (the “**Arrangement Completion Material Change Report**”).

Any documents of the types referred to above, any unaudited interim consolidated financial statements and related management’s discussion and analysis, any business acquisition reports and any material change reports (excluding



confidential material change reports if any), filed by iA Financial Corporation with the securities regulatory authorities in Canada after the date of this Prospectus and prior to the completion or withdrawal of the distribution of Securities, shall be deemed to be incorporated by reference into this Prospectus. Updated earnings coverage ratios, if required, will be filed quarterly with the applicable securities regulatory authorities in Canada either as Prospectus Supplements or as exhibits to iA Financial Corporation's unaudited interim and audited annual consolidated financial statements and will be deemed to be incorporated by reference into this Prospectus for the purposes of the offering of Securities hereunder.

A Prospectus Supplement containing the specific terms in respect of any Securities will be delivered, together with this Prospectus, to purchasers of such Securities and will be deemed incorporated in this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement, but only for the purposes of the distribution of the Securities to which such Prospectus Supplement pertains.

**Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference in this Prospectus shall be deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained in this Prospectus or in any other subsequently filed document that also is or is deemed to be incorporated by reference in this Prospectus, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.**

Upon a new annual information form and annual audited consolidated financial statements and related management's discussion and analysis being filed by iA Financial Corporation with, and where required, accepted by, the applicable securities regulatory authorities during the time that this Prospectus is valid, the previous annual information form, annual audited consolidated financial statements and related management's discussion and analysis and all unaudited comparative consolidated financial statements and related management's discussion and analysis, and all material change reports and any information circular filed prior to the commencement of iA Financial Corporation's financial year in which the new annual information form is filed, shall be deemed no longer incorporated by reference into this Prospectus for purposes of future offers and sales of Securities under this Prospectus.

Investors should rely only on the information contained in or incorporated by reference in this Prospectus or any applicable Prospectus Supplement. iA Financial Corporation has not authorized anyone to provide investors with different or additional information. iA Financial Corporation is not making an offer of Securities in any jurisdiction where the offer is not permitted by law. Investors should not assume that the information contained in or incorporated by reference in this Prospectus or any applicable Prospectus Supplement is accurate as of any date other than the date on the front of the applicable Prospectus Supplement.

#### **CURRENCY INFORMATION**

All currency amounts in this Prospectus are stated in Canadian dollars, unless otherwise indicated.

#### **iA FINANCIAL CORPORATION**

iA Financial Corporation is incorporated under the *Business Corporations Act* (Québec).

iA Financial Corporation is a holding company that provides strategic direction to its subsidiaries, including IAIFS.

iA Financial Corporation and its subsidiaries offer a wide range of life and health insurance products, savings and retirement plans, mutual funds, securities, auto and home insurance, mortgages, and other financial products and services. The products and services are offered on both an individual and group basis and extend throughout Canada and to the United States. iA Financial Corporation's subsidiaries serve over four million clients and employ more than 6,500 people. At September 30, 2018, iA Financial Corporation's subsidiaries had \$177 billion in assets under management and administration.

iA Financial Corporation's head office is located at 1080 Grande Allée West, Québec City, Québec, G1S 1C7.

iA Financial Corporation's Common Shares are listed on the Toronto Stock Exchange under the trading symbol "IAG". Additionally, IAIFS, a subsidiary of iA Financial Corporation, has Non-Cumulative Class A Preferred Shares, Series B, Non-Cumulative Class A Preferred Shares, Series G and Non-Cumulative Class A Preferred Shares, Series I that are listed on the Toronto Stock Exchange under the trading symbols "IAF.PR.B", "IAF.PR.G" and "IAF.PR.I", respectively.

### RECENT DEVELOPMENT

Effective January 1, 2019, iA Financial Corporation reorganized its corporate structure pursuant to the Arrangement, which was approved by IAIFS's shareholders at its annual and special meeting of shareholders held on May 10, 2018, and which received final approval of the Superior Court of Quebec on May 17, 2018. The purpose of the Arrangement was to adapt the legal and corporate structure of iA Financial Corporation to the group's current size, allow greater financial and commercial flexibility in pursuing its growth strategy and better reflect the diversification of its business. It also provided iA Financial Corporation with a corporate structure that is as flexible as that of its principal competitors.

As a result of the Arrangement, IAIFS became a subsidiary all of whose common shares are held by iA Financial Corporation. Pursuant to the Arrangement, all the common shares of IAIFS outstanding at January 1, 2019 have been exchanged for newly issued Common Shares of iA Financial Corporation, on a one-for-one basis. IAIFS's issued and outstanding series of preferred shares and debentures remained issued by IAIFS and have been guaranteed by iA Financial Corporation in accordance with the terms of the Arrangement.

At the open of markets on January 4, 2019, the Common Shares started trading on the Toronto Stock Exchange under the existing trading symbol of IAIFS (TSX:IAG). The publicly issued and outstanding preferred shares of IAIFS continued to trade on the Toronto Stock Exchange but under the new symbols "IAF.PR.B", "IAF.PR.G" and "IAF.PR.I".

As of January 1, 2019, the normal course issuer bid program of IAIFS has been transferred to iA Financial Corporation, subject to compliance with regulatory limits and requirements.

See the Arrangement Completion Material Change Report incorporated by reference herein for more details.

### CONSOLIDATED CAPITALIZATION

Other than as a result of the Arrangement, there have been no material changes in the loan capital or in the share capital of iA Financial Corporation on a consolidated basis since September 30, 2018, the date of iA Financial Corporation's most recently filed unaudited interim condensed consolidated financial statements.

### DESCRIPTION OF SHARE CAPITAL

The share capital of iA Financial Corporation consists of (a) an unlimited number of Common Shares without nominal or par value, and (b) an amount of Class A Preferred Shares without nominal or par value, issuable in series, equal to not more than half (½) of the amount of Common Shares that are issued and outstanding at the time of the proposed issuance of such Class A Preferred Shares (the "**Class A Preferred Shares**").

As of February 11, 2019, 107,488,597 Common Shares and no Class A Preferred Shares were issued and outstanding.

This section is a summary of certain rights and restrictions attaching to the Class A Preferred Shares and the Common Shares. This summary is qualified in its entirety by the articles of iA Financial Corporation. The particular terms and provisions of a series of the Class A Preferred Shares offered pursuant to an accompanying Prospectus Supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in such Prospectus Supplement.

## **Description of the Common Shares**

### ***Dividends***

Subject to the prior rights of the holders of Class A Preferred Shares and any other shares ranking senior to the Common Shares with respect to the payment of dividends, the holders of Common Shares will be entitled to receive such dividends as may be declared by the Board of Directors out of the sums duly allocated to the payment of shareholder dividends, in such amounts and in such form as the Board of Directors may establish, and all dividends that the Board of Directors may declare on the Common Shares shall be declared and paid in equal amounts per share on all the Common Shares outstanding at the time.

### ***Dissolution***

In the event of liquidation, winding-up or dissolution of iA Financial Corporation, whether voluntary or involuntary, or any other distribution of its assets to its shareholders for the precise purpose of winding up its affairs, subject to the prior rights of the holders of Class A Preferred Shares and any other shares ranking senior to the Common Shares with respect to the distribution of property upon liquidation, winding-up or dissolution of iA Financial Corporation, the holders of Common Shares will be entitled to receive the remaining assets of iA Financial Corporation relating to shareholders in an equal amount per share, without any share being entitled to any priority over any other share.

### ***Voting***

The holders of Common Shares will be entitled to receive notice of and to attend all meetings of shareholders of iA Financial Corporation and they will have one vote for each Common Share held at every meeting of shareholders of iA Financial Corporation, with the exception of meetings at which only the holders of shares of another class or particular series of iA Financial Corporation are entitled to vote separately as a class or series.

### ***Notice of meeting***

The formalities to be observed with respect to the giving of notice of any meeting or adjourned meeting, the quorum required therefor and the conduct thereof will be those required by law and those, if any, specified in the by-laws or resolutions of iA Financial Corporation with respect to meetings of shareholders.

## **Description of the Class A Preferred Shares**

### ***Board of Directors' Authority to Issue in One or More Series***

The Board of Directors may issue Class A Preferred Shares in one or more series. Before any shares of a series are issued, the Board of Directors will determine the number of shares comprising the series and, subject to the restrictions set out in the articles of iA Financial Corporation, the designation of and the rights and restrictions attaching to the Class A Preferred Shares of the series. Before any shares of a series are issued, the Board of Directors shall amend the articles so as to indicate therein the number, the designation of and any rights and restrictions determined for such series by the Board of Directors.

### ***Ranking of Class A Preferred Shares***

The rights and restrictions attaching to any series of Class A Preferred Shares will not confer any priority on that series over any other series of Class A Preferred Shares in relation to dividends or return of capital.

With respect to the payment of dividends and the distribution of property upon liquidation, winding-up or dissolution of iA Financial Corporation, whether voluntary or involuntary, or any other distribution of the assets of iA Financial Corporation to its shareholders for the precise purpose of winding up its affairs, the Class A Preferred Shares will rank senior to the Common Shares and to any other shares ranking junior to the Class A Preferred Shares.

If any declared or undeclared cumulative dividends, any declared non-cumulative dividends or any amounts payable on account of return of capital are not paid in full on any series of Class A Preferred Shares, such dividends shall be apportioned pro rata among the Class A Preferred Shares of all series based on the amounts that would be payable on the said shares if all

the said dividends were declared and paid in full, and regarding return of capital, based on the amounts that would be payable on account of such return of capital if all the said amounts so payable were paid in full. However, if the property is not sufficient to pay all claims in the aforementioned manner, the claims of the holders of Class A Preferred Shares on account of return of capital shall be paid first and any remaining property shall be applied toward payment of the claims on account of dividends. Additional priority rights may also attach to the Class A Preferred Shares of any series provided that such rights are not incompatible with the rights and restrictions attaching to the Class A Preferred Shares as a class relative to the Common Shares and to any other shares ranking junior to the Class A Preferred Shares, as such rights and restrictions may be determined in relation to such series of Class A Preferred Shares.

### ***Voting***

Except as referred to below or as required by law or as set out in the rights and restrictions attaching to a series of Class A Preferred Shares, the holders of Class A Preferred Shares, as a class, will not be entitled to receive notice of, attend or vote at any meetings of shareholders of iA Financial Corporation.

### ***Change with Approval of the Holders of Class A Preferred Shares***

The rights and restrictions attaching to the Class A Preferred Shares as a class may only be amended or removed with the approval of the holders of Class A Preferred Shares given as specified below.

### ***Approval of the Holders of Class A Preferred Shares***

The approval of the holders of Class A Preferred Shares to amend or remove any rights or restrictions attaching to the Class A Preferred Shares as a class, or in regard to any other matter requiring the consent of the holders of Class A Preferred Shares, may be given in such manner as may then be required by law, provided that such approval be given by resolution passed by an affirmative vote of at least two thirds ( $\frac{2}{3}$ ) of the votes cast at a meeting of the holders of Class A Preferred Shares duly called for such purpose at which meeting the holders of at least one quarter ( $\frac{1}{4}$ ) of the outstanding Class A Preferred Shares were present in person or represented by proxy. If the holders of at least one quarter ( $\frac{1}{4}$ ) of the outstanding Class A Preferred Shares are not in attendance or represented by proxy at such meeting within 30 minutes following the time scheduled for the holding of the meeting, the meeting will be adjourned for at least 15 days and the chairman of the meeting will decide on the time and place for the adjourned meeting. Prior notice of at least seven days will be given in respect of the adjourned meeting. At the adjourned meeting, the holders of Class A Preferred Shares who are present in person or represented by proxy thereat may transact the business for which the meeting was originally called and any resolution passed thereat by an affirmative vote of at least two thirds ( $\frac{2}{3}$ ) of the votes cast will mean that the approval of the holders of Class A Preferred Shares as aforementioned has been given.

The formalities to be observed with respect to the giving of notice and the conduct of any meeting or adjourned meeting will be those specified in the by-laws of iA Financial Corporation or in resolutions of iA Financial Corporation adopted by the Board of Directors with respect to meetings of shareholders or those required by law. On any ballot taken at any meeting of the holders of Class A Preferred Shares as a class, or at any joint meeting of the holders of two or more series of Class A Preferred Shares, each holder of such shares entitled to vote thereat will have one vote for each Class A Preferred Share held.

## **DESCRIPTION OF DEBT SECURITIES**

The following sets forth certain general terms and provisions of the Debt Securities. The particular terms and provisions of Debt Securities offered pursuant to an accompanying Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to such Debt Securities, will be described in such Prospectus Supplement.

The Debt Securities will be direct unsecured obligations of iA Financial Corporation. The Debt Securities will be senior or subordinated indebtedness of iA Financial Corporation as described in the relevant Prospectus Supplement.

The Debt Securities will be issued under one or more indentures (each, a “**Trust Indenture**”), in each case between iA Financial Corporation and a financial institution to which the *Trust and Loan Companies Act* (Canada) applies or a financial institution organized under the laws of any province of Canada and authorized to carry on business as a trustee (each, a “**Trustee**”). The statements made in this Prospectus and in the applicable Prospectus Supplement relating to any Trust

Indenture and the Debt Securities to be issued thereunder are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable Trust Indenture.

Each Trust Indenture may provide that Debt Securities may be issued thereunder up to the aggregate principal amount which may be authorized from time to time by iA Financial Corporation. Any Prospectus Supplement for Debt Securities supplementing this Prospectus will contain terms and other information with respect to the Debt Securities being offered thereby, which may include the following:

- (i) the designation, aggregate principal amount, authorized denominations and ranking of such Debt Securities;
- (ii) the currency or currency units for which the Debt Securities may be purchased and the currency or currency unit in which the principal and any interest is payable (in either case, if other than Canadian dollars);
- (iii) the percentage of the principal amount at which such Debt Securities will be issued;
- (iv) the date or dates on which such Debt Securities will mature;
- (v) the rate or rates per annum at which such Debt Securities will bear interest (if any), or the method of determination of such rates (if any);
- (vi) the dates on which any such interest will be payable and the record dates for such payments;
- (vii) the place or places where principal, premium and interest will be payable;
- (viii) the Trustee under the Trust Indenture pursuant to which the Debt Securities are to be issued;
- (ix) any redemption term or terms under which such Debt Securities may be defeased;
- (x) whether such Debt Securities are to be issued in registered form, “book-entry only” form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;
- (xi) any exchange or conversion terms;
- (xii) any terms relating to the modification, amendment or waiver of any terms of such Debt Securities or the applicable indenture; and
- (xiii) any other specific terms.

Debt Securities may, at the option of iA Financial Corporation, be issued in fully registered form, in “book-entry only” form or may be uncertificated. Debt Securities in registered form will be exchangeable for other Debt Securities of the same series and tenor, registered in the same name, for a like aggregate principal amount in authorized denominations and will be transferable at any time or from time to time at the corporate trust office of the Trustee for such Debt Securities. No charge will be made to the holder for any such exchange or transfer except for any tax or government charge incidental thereto.

Debt Securities of a single series may be issued at various times with different maturity dates, may bear interest at different rates and may otherwise vary.

iA Financial Corporation will summarize in the applicable Prospectus Supplement certain terms of the Debt Securities being offered thereby and the relevant Trust Indenture which iA Financial Corporation believes will be most important to an investor’s decision to invest in the Debt Securities being offered. It is the Trust Indenture, as supplemented by any applicable supplemental indenture, and not this summary, which defines the rights of a holder of Debt Securities. There may be other provisions in the Trust Indenture which are important to a purchaser of Debt Securities. Such purchaser of Debt Securities should read the Trust Indenture for a full description of the terms of the Debt Securities.

## DESCRIPTION OF SUBSCRIPTION RECEIPTS

The following sets forth certain general terms and provisions of the Subscription Receipts. iA Financial Corporation may issue Subscription Receipts that may be exchanged by the holders thereof for Debt Securities, Class A Preferred Shares or Common Shares upon the satisfaction of certain conditions. The particular terms and provisions of the Subscription Receipts offered pursuant to an accompanying Prospectus Supplement, and the extent to which the general terms and provisions described below apply to such Subscription Receipts, will be described in such Prospectus Supplement.

Subscription Receipts may be offered separately or together with Debt Securities, Class A Preferred Shares or Common Shares, as the case may be. The Subscription Receipts will be issued under a subscription receipt agreement. The statements made in this Prospectus and in the applicable Prospectus Supplement relating to any subscription receipt agreement and the Subscription Receipts to be issued thereunder are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable subscription receipt agreement.

Under the subscription receipt agreement, a purchaser of Subscription Receipts will have a contractual right of rescission following the issuance of Debt Securities, Class A Preferred Shares or Common Shares, as the case may be, to such purchaser, entitling the purchaser to receive the amount paid for the Subscription Receipts upon surrender of the Debt Securities, Class A Preferred Shares or Common Shares, as the case may be, if this Prospectus, the relevant Prospectus Supplement, and any amendment thereto, contains a misrepresentation, provided such remedy for rescission is exercised within 180 days of the date the Subscription Receipts are issued.

Any Prospectus Supplement for Subscription Receipts supplementing this Prospectus will contain the terms and conditions and other information with respect to the Subscription Receipts being offered thereby, which may include the following:

- (i) the number of Subscription Receipts;
- (ii) the price at which the Subscription Receipts will be offered and whether the price is payable in installments;
- (iii) any conditions to the exchange of Subscription Receipts into Debt Securities, Class A Preferred Shares or Common Shares, as the case may be, and the consequences of such conditions not being satisfied;
- (iv) the procedures for the exchange of the Subscription Receipts into Debt Securities, Class A Preferred Shares or Common Shares, as the case may be;
- (v) the number of Debt Securities, Class A Preferred Shares or Common Shares, as the case may be, that may be exchanged upon exercise of each Subscription Receipt;
- (vi) the designation and terms of any other Securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each Security;
- (vii) the dates or periods during which the Subscription Receipts may be exchanged into Debt Securities, Class A Preferred Shares or Common Shares, as the case may be;
- (viii) whether such Subscription Receipts will be listed on any securities exchange;
- (ix) any other rights, privileges, restrictions and conditions attaching to the Subscription Receipts; and
- (x) any other specific terms.

Subscription receipt certificates will be exchangeable for new subscription receipt certificates of different denominations at the office indicated in the applicable Prospectus Supplement. Prior to the exchange of their Subscription Receipts, holders of Subscription Receipts will not have any of the rights of holders of the securities subject to the Subscription Receipts.

## DESCRIPTION OF WARRANTS

The following sets forth certain general terms and provisions of the Warrants. The particular terms and provisions of the Warrants offered pursuant to an accompanying Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to such Warrants, will be described in such Prospectus Supplement.

iA Financial Corporation may issue Warrants for the purchase of Debt Securities, Class A Preferred Shares or Common Shares. Warrants may be issued independently or together with Debt Securities, Class A Preferred Shares or Common Shares offered by any Prospectus Supplement and may be attached to, or separate from, any such offered Securities. Warrants will be issued under one or more warrant agreements between iA Financial Corporation and a warrant agent that iA Financial Corporation will name in the relevant Prospectus Supplement.

Selected provisions of the Warrants and the warrant agreements are summarized below. This summary is not complete. The statements made in this Prospectus and in the applicable Prospectus Supplement relating to any warrant agreement and Warrants to be issued thereunder are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable warrant agreement.

Any Prospectus Supplement for Warrants supplementing this Prospectus will contain the terms and other information with respect to the Warrants being offered thereby, which may include the following:

- (i) the designation of the Warrants;
- (ii) the aggregate number of Warrants offered and the offering price;
- (iii) the designation, number and terms of the Debt Securities, Class A Preferred Shares or Common Shares or other securities purchasable upon exercise of the Warrants, and procedures that will result in the adjustment of those numbers;
- (iv) the exercise price of the Warrants;
- (v) the dates or periods during which the Warrants are exercisable;
- (vi) the designation and terms of any securities with which the Warrants are issued;
- (vii) if the Warrants are issued as a unit with another security, the date on and after which the Warrants and the other security will be separately transferable;
- (viii) the currency or currency unit in which the exercise price is denominated;
- (ix) any minimum or maximum amount of Warrants that may be exercised at any one time;
- (x) whether such Warrants will be listed on any securities exchange;
- (xi) any terms, procedures and limitations relating to the transferability, exchange or exercise of the Warrants;
- (xii) any rights, privileges, restrictions and conditions attaching to the Warrants; and
- (xiii) any other specific terms.

Warrant certificates will be exchangeable for new warrant certificates of different denominations at the office indicated in the applicable Prospectus Supplement. Prior to the exercise of their Warrants, holders of Warrants will not have any of the rights of holders of the securities subject to the Warrants.

## **Modifications**

iA Financial Corporation may amend the warrant agreements and the Warrants, without the consent of the holders of the Warrants, to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision, or in any other manner that will not materially and adversely affect the interests of holders of outstanding Warrants. Other amendment provisions will be as indicated in the applicable Prospectus Supplement.

## **Enforceability**

The warrant agent will act solely as iA Financial Corporation's agent. The warrant agent will not have any duty or responsibility if iA Financial Corporation defaults under the warrant agreements or the warrant certificates. A Warrant holder may, without the consent of the warrant agent, enforce by appropriate legal action on its own behalf the holder's right to exercise the holder's Warrants.

## **DESCRIPTION OF SHARE PURCHASE CONTRACTS**

The following sets forth certain general terms and provisions of the Share Purchase Contracts. The particular terms and provisions of Share Purchase Contracts offered pursuant to an accompanying Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to such Share Purchase Contracts, will be described in such Prospectus Supplement.

iA Financial Corporation may issue Share Purchase Contracts, representing contracts obligating holders to purchase from or sell to iA Financial Corporation, and obligating iA Financial Corporation to purchase from or sell to the holders, a specified number of Common Shares or Class A Preferred Shares, as applicable, at a future date or dates, and including by way of installments.

The price per Common Share or Class A Preferred Share, as applicable, may be fixed at the time the Share Purchase Contracts are issued or may be determined by reference to a specific formula contained in the Share Purchase Contracts. iA Financial Corporation may issue Share Purchase Contracts in accordance with applicable laws and in such amounts and in as many distinct series as it may determine.

Selected provisions of the Share Purchase Contracts and the warrant agreements are summarized below. This summary is not complete. The statements made in this Prospectus and in the applicable Prospectus Supplement relating to any Share Purchase Contracts to be issued thereunder are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable Share Purchase Contracts agreements and, if applicable, collateral arrangements and depository arrangements relating to such Share Purchase Contracts.

Any Prospectus Supplement for Share Purchase Contracts supplementing this Prospectus will contain the terms and other information with respect to the Share Purchase Contracts being offered thereby, which may include the following:

- (i) whether the Share Purchase Contracts obligate the holder to purchase or sell, or both purchase and sell, Common Shares or Class A Preferred Shares, as applicable, and the nature and amount of each of those securities, or the method of determining those amounts;
- (ii) whether the Share Purchase Contracts are to be prepaid or not or paid in installments;
- (iii) any conditions upon which the purchase or sale will be contingent and the consequences if such conditions are not satisfied;
- (iv) whether the Share Purchase Contracts are to be settled by delivery, or by reference or linkage to the value or performance of Common Shares or Class A Preferred Shares;
- (v) any acceleration, cancellation, termination or other provisions relating to the settlement of the share purchase contracts;



- (vi) the date or dates on which the sale or purchase must be made, if any;
- (vii) whether such Share Purchase Contracts will be listed on any securities exchange;
- (viii) whether the Share Purchase Contracts will be issued in fully registered or global form;
- (ix) any rights, privileges, restrictions and conditions attaching to the Share Purchase Contracts; and
- (x) any other specific terms.

Share purchase contract certificates will be exchangeable for new share purchase contract certificates of different denominations at the office indicated in the applicable Prospectus Supplement. In the case of Share Purchase Contracts which obligate the holders to purchase securities from iA Financial Corporation, the holders will not have any of the rights of holders of the securities to be purchased pursuant to the Share Purchase Contracts until the completion of the purchase of those securities by the relevant holder in accordance with the terms of the Share Purchase Contract.

### **DESCRIPTION OF UNITS**

The following sets forth certain general terms and provisions of the Units. The particular terms and provisions of Units offered pursuant to an accompanying Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to such Units, will be described in such Prospectus Supplement.

iA Financial Corporation may issue Units comprised of one or more of the other Securities described in this Prospectus in any combination. Each Unit will be issued so that the holder of the Unit is also the holder of each Security included in the Unit. Thus, the holder of a Unit will have the rights and obligations of a holder of each included Security. The unit agreement under which a Unit is issued may provide that the Securities included in the Unit may not be held or transferred separately, at any time or at any time before a specified date.

Selected provisions of the Units and the unit agreements are summarized below. This summary is not complete. The statements made in this Prospectus and in the applicable Prospectus Supplement relating to any Units to be issued thereunder are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable Unit agreements and, if applicable, collateral arrangements and depositary arrangements relating to such Units.

Any Prospectus Supplement for Units supplementing this Prospectus will contain the terms and other information with respect to the Units being offered thereby, which may include the following:

- (i) the designation and terms of the Units and of the Securities comprising the Units, including whether and under what circumstances those Securities may be held or transferred separately;
- (ii) any provisions for the issuance, payment, settlement, transfer or exchange of the Units or of the Securities comprising the Units;
- (iii) whether the Units will be issued in fully registered or global form; and
- (iv) any other specific terms.

### **CORPORATE AND FINANCIAL FRAMEWORK**

iA Financial Corporation is governed by the *Business Corporations Act* (Quebec) and is not regulated under the *Act respecting insurance* (Quebec). However, iA Financial Corporation will maintain the ability to supply capital, if it considers it necessary, to IAIFS so that the latter meets the adequacy of capital requirements under the *Act respecting insurance* (Quebec). Pursuant to an undertaking, iA Financial Corporation will disclose its capital position on a quarterly basis. A copy of the undertaking (to which the *Autorité des marchés financiers* is an intervening party) was filed, on January 2, 2019, under the SEDAR profiles of both iA Financial Corporation and IAIFS at [www.sedar.com](http://www.sedar.com).

Moreover, pursuant to *An Act respecting Industrial-Alliance, Life Insurance Company (Québec)*, as amended by *An Act to amend An Act respecting Industrial-Alliance, Life Insurance Company (Québec)* (collectively the “**Private Bill**”), iA Financial Corporation must hold, directly or indirectly, 100% of the common shares of IAIFS.

### **CONSTRAINTS ON VOTING SHARES**

The Private Bill contains restrictions on the acquisition and voting of voting shares of iA Financial Corporation. Pursuant to these restrictions, no person is permitted to acquire, directly or indirectly, any voting shares of iA Financial Corporation (including Common Shares) if the acquisition would cause the person and his associates, within the meaning of Section 49 of the *Act respecting Insurance*, to hold 10% or more of the voting rights attached to the shares of iA Financial Corporation. No person who holds 10% or more of the voting rights attaching to the shares of iA Financial Corporation together with his associates may exercise any voting rights attached to the shares held by such person.

### **PLAN OF DISTRIBUTION**

iA Financial Corporation may sell the Securities (i) through underwriters or dealers, (ii) directly to one or more purchasers pursuant to applicable statutory exemptions, or (iii) through agents. The Securities may be sold at fixed prices or non-fixed prices, such as prices determined by reference to the prevailing price of the specified securities in a specified market, at market prices prevailing at the time of sale or at prices to be negotiated with purchasers, which prices may vary as between purchasers and during the period of distribution of the Securities. The Prospectus Supplement for any of the Securities being offered thereby will set forth the terms of the offering of such Securities, including the type of security being offered, the name or names of any underwriters, dealers or agents, the purchase price of such Securities, the proceeds to iA Financial Corporation from such sale, any underwriting discounts and other items constituting underwriters' compensation, any public offering price and any discounts or concessions allowed or re-allowed or paid to dealers. Only underwriters so named in the Prospectus Supplement are deemed to be underwriters in connection with the Securities offered thereby.

If underwriters are used in the sale, the Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The obligations of the underwriters to purchase such Securities will be subject to certain conditions precedent, and the underwriters will be obligated to purchase all the Securities of the series offered by the Prospectus Supplement if any of such Securities are purchased. Any public offering price and any discounts or concessions allowed or re-allowed or paid to dealers may be changed from time to time.

The Securities may also be sold directly by iA Financial Corporation at such prices and upon such terms as agreed to by iA Financial Corporation and the purchaser or through agents designated by iA Financial Corporation from time to time. Any agent involved in the offering and sale of the Securities in respect of which this Prospectus is delivered will be named, and any commissions payable by iA Financial Corporation to such agent will be set forth, in the Prospectus Supplement. Unless otherwise indicated in the Prospectus Supplement, any agent would be acting on a best efforts basis for the period of its appointment.

iA Financial Corporation may agree to pay the underwriters, dealers or agents a commission for various services relating to the issue and sale of any Securities offered hereby. Any such commission will be paid out of the general corporate funds of iA Financial Corporation. Underwriters, dealers and agents who participate in the distribution of the Securities may be entitled under agreements to be entered into with iA Financial Corporation to indemnification by iA Financial Corporation against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof.

In connection with any offering of the Securities, the underwriters, dealers or agents may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a higher level than that which might exist in the open market. These transactions may be commenced, interrupted or discontinued at any time.

Unless otherwise specified in a Prospectus Supplement, the Securities will not be registered under the United States Securities Act of 1933, as amended or the securities law of any state of the United States of America.

## RISK FACTORS

An investment in the Securities is subject to various risks including those risks inherent in investing in a diversified financial institution. Before deciding whether to invest in any Securities, investors should carefully consider the risks set out herein and described in the documents incorporated by reference in this Prospectus (including subsequently filed documents deemed to be incorporated by reference) and, if applicable, those described in a Prospectus Supplement relating to a specific offering of Securities. Prospective purchasers should consider the categories of risks identified and discussed in other filings iA Financial Corporation makes with securities regulators including, without limitation, the sections entitled “Risk Factors” in iA Financial Corporation’s annual information form and “Risk Management” contained in iA Financial Corporation’s management’s discussion and analysis related to the most recent audited consolidated financial statements and the “Management of Risks Associated with Financial Instruments”, “Management of Insurance Risk” and “Insurance Contract Liabilities and Investment Contract Liabilities” notes to iA Financial Corporation’s most recent audited consolidated financial statements, all of which are being incorporated by reference into this Prospectus. These risks are not the only risks facing iA Financial Corporation. Additional risks and uncertainties not currently known to iA Financial Corporation, or that iA Financial Corporation currently deems immaterial, may also materially and adversely affect its business.

## USE OF PROCEEDS

Unless otherwise specified in a Prospectus Supplement, the net proceeds to iA Financial Corporation from the sale of the Securities will be used for the general corporate purposes of iA Financial Corporation.

## LEGAL MATTERS

Unless otherwise specified in a Prospectus Supplement, certain legal matters relating to an issue and sale of Securities will be passed upon, on behalf of iA Financial Corporation, by Norton Rose Fulbright Canada LLP. As of the date hereof, the partners, counsel and associates of Norton Rose Fulbright Canada LLP owned beneficially as a group, directly or indirectly, less than 1% of the outstanding securities of iA Financial Corporation.

## INDEPENDENT AUDITOR

The independent auditor of iA Financial Corporation is Deloitte LLP, Chartered Professional Accountants, located at 801 Grande Allée West, Suite 350, Québec City, Québec, G1S 4Z4. Deloitte LLP is independent with respect to iA Financial Corporation within the meaning of the Code of Ethics of the *Ordre des comptables professionnels agréés du Québec*.

## ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS

Jacques Martin and Nicolas Darveau-Garneau (the “**Non-Resident Directors**”) are directors of iA Financial Corporation who reside outside of Canada. The Non-Resident Directors have appointed the following agent for service of process:

Name of Person or Company	Name and Address of Agent
Jacques Martin Nicolas Darveau-Garneau	iA Financial Corporation 1080 Grande Allée West, Québec City, Québec, G1S 1C7

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

## STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation

or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

Original Canadian purchasers of Securities that are convertible, exchangeable or exercisable securities will have a contractual right of rescission against iA Financial Corporation in respect of the conversion, exchange or exercise of such Securities. The contractual right of rescission will entitle such original Canadian purchasers to receive the amount paid for such convertible, exchangeable or exercisable securities (and any additional amount paid upon conversion, exchange or exercise), upon surrender of the underlying securities gained thereby, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that both the conversion, exchange or exercise occurs, and the right of rescission is exercised, within 180 days of the date of the purchase of the Securities under this Prospectus (as supplemented or amended). This contractual right of rescission will be consistent with the statutory right of rescission described under section 217 of the Securities Act (Québec), and is in addition to any other right or remedy available to original Canadian purchasers under section 217 of the Securities Act (Québec) or otherwise at law.

In an offering of convertible, exchangeable or exercisable securities, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the convertible, exchangeable or exercisable securities is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion, exchange or exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

**CERTIFICATE OF IA FINANCIAL CORPORATION INC.**

Dated: February 12, 2019

This short form base shelf prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the provinces of Canada.

*(Signed)* Denis Ricard  
President and Chief Executive Officer

*(Signed)* Jacques Potvin  
Executive Vice-President, Chief Financial  
Officer and Chief Actuary

On Behalf of the Board of Directors

*(Signed)* Jacques Martin  
Director and Chair of the Board

*(Signed)* Michael Hanley  
Director and Chair of the Audit Committee