

# Invested in you.



## About iA Financial Group

iA Financial Group (Industrial Alliance Insurance and Financial Services Inc.) operates in all regions of Canada, as well as in the United States. Through a multi-channel distribution network of more than 25,000 representatives, it offers life and health insurance, savings and retirement plans, mutual and segregated funds, auto and home insurance, mortgage loans, car loans, creditor insurance and extended warranties.

- › **Founded in 1892**
- › **Listed on the TSX in 2000**
- › **More than 4,000,000 clients**
- › **More than 5,300 employees**

### › Credit ratings:

S&P:	A+ (Strong)
A.M. Best:	A+ (Superior)
DBRS:	A (high)

## Second Quarter Highlights

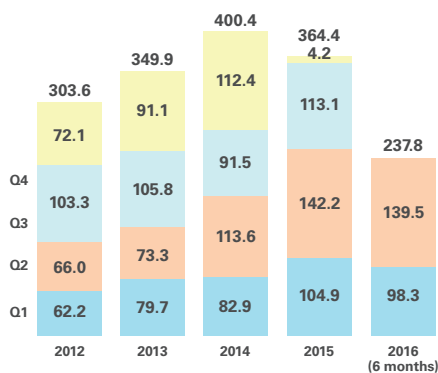
	Q2/2016	Q2/2015
› <b>Net income attributed to common shareholders</b>	<b>\$139.5M</b>	\$142.2M
› <b>EPS (diluted)</b>	<b>\$1.35</b>	\$1.40
› <b>Book value</b>	<b>\$37.60</b>	\$36.11
› <b>ROE (annualized)</b>	<b>14.7%</b>	15.8%
› <b>Solvency ratio</b>	<b>199%</b>	223%
› <b>Premiums &amp; deposits</b>	<b>\$1,921.1M</b>	\$1,917.7M
› <b>Assets under management &amp; administration</b>	<b>\$121.9B</b>	\$112.9B

"Our excellent second quarter results clearly demonstrate the underlying strength of our operations. Our two largest business segments continue to perform extremely well, with retail insurance maintaining strong momentum in both Canada and the US, and our segregated funds still leading the industry in terms of net sales. Among our subsidiaries, Excellence continues the successful roll-out of its adjustable disability product across Canada, iA Auto and Home is starting to generate sales from new partnerships concluded in the last year, and our wealth management distribution affiliates benefited from the market growth this quarter. Despite recent turbulence in the macroeconomic environment, our investment portfolio remains healthy and our solvency ratio is well within our comfort zone."

Yvon Charest, President and Chief Executive Officer

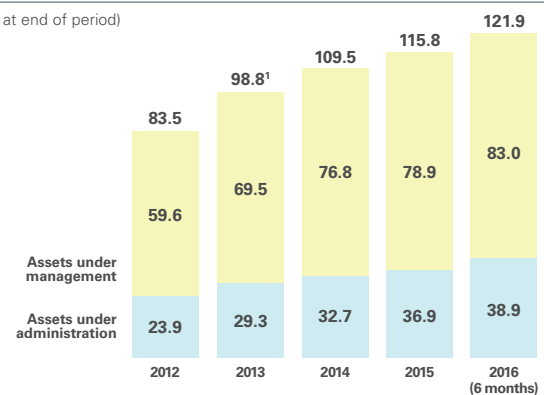
## Net Income Attributed to Common Shareholders

(\$Million)



## Assets Under Management & Administration

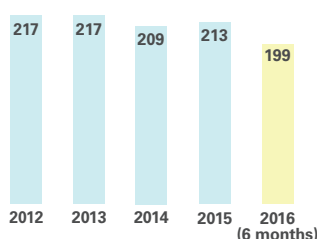
(\$Billion and at end of period)



<sup>1</sup>In 2014, an adjustment was made to recognize the deferred income taxes related to certain intangible asset items. This adjustment, which increased the goodwill and future income tax liability by an equivalent amount, was reflected retroactively to January 1, 2013. Years prior to 2013 were not adjusted.

## Solvency Ratio

(% and at end of period)



## 2016 Q2 Share Information

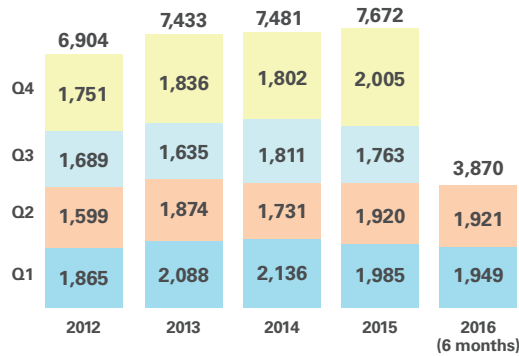
(As at June 30, 2016)

- › **Ticker:** IAG (TSX)
- › **Share price last 12 months (high/low):** \$46.05/\$35.00
- › **Share price (closing):** \$40.61
- › **Market capitalization:** \$4.2 billion
- › **Dividend per common share:** \$0.32 paid on June 15, 2016  
\$0.32 payable September 15, 2016
- › **Number of shares outstanding:**\* 103,006,909

\* Weighted daily average for the quarter, on a diluted basis

## Premiums, Premium Equivalents & Deposits

(\$Million)

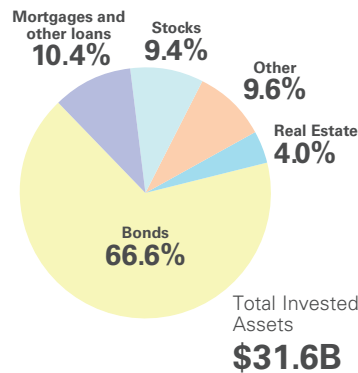


Note: The figures do not always add up exactly due to rounding differences.

## Quality of Investments

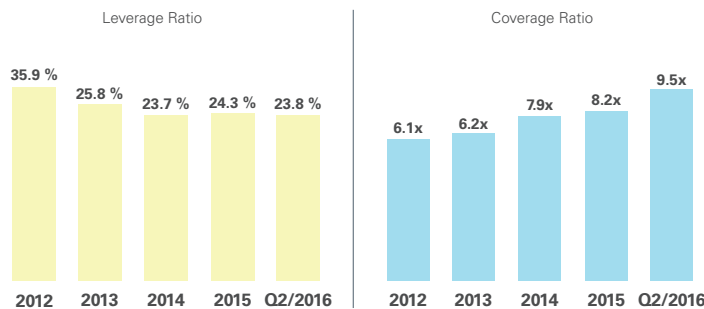
(As at June 30, 2016)

- Net impaired investments: 0.04% of total investments
- Bonds rated BB and lower: 0.69% of bond portfolio
- Mortgage loan delinquency rate: 0.26%
- Real estate occupancy rate: 89.4%



## Debt Measures

(At the end of period)



## Calendar of Events

- September 8, 2016** Scotiabank Financials Summit 2016
- September 22, 2016** CIBC 15<sup>th</sup> Eastern Institutional Conference

- November 2, 2016** 3rd quarter 2016 financial results
- February 16, 2017** 4th quarter 2016 financial results

## Sales Growth

Line of business (\$Million)	Q2/2016	Q2/2015
Individual Insurance	72.9	61.7
Individual Wealth Management		
- General fund	85.0	32.0
- Segregated funds	352.1	366.5
- Mutual funds	316.7	383.0
Group Insurance		
- Employee Plans	17.1	25.3
- Dealers – Creditor Insurance	101.6	99.2
- Dealers – P & C	58.0	56.4
- Special Markets Solutions	40.6	41.8
Group Savings and Retirement	325.2	342.3
General Insurance (auto and home)	91.6	81.5

## Market Shares

Line of business	New Business <sup>1</sup>		In force <sup>2</sup>	
	Rank	Market Share	Rank	Market Share
Individual Insurance	4 <sup>th</sup>	9.1%	4 <sup>th</sup>	8.7%
Individual Wealth Management				
- Segregated funds	3 <sup>rd</sup>	14.5%	3 <sup>rd</sup>	11.5%
- Mutual funds	20 <sup>th</sup>	-	19 <sup>th</sup>	-
Group Insurance <sup>3</sup>	6 <sup>th</sup>	5.7%	7 <sup>th</sup>	3.5%
Group Savings and Retirement	5 <sup>th</sup>	5.4%	4 <sup>th</sup>	5.2%

<sup>1</sup> First-year annualized premiums, except for Individual Wealth Management where it refers to gross sales

<sup>2</sup> Assets, except for Individual and Group Insurance where it refers to premiums

<sup>3</sup> Employee Groups Market of 50 to 1,000 employees

Source: Latest available industry data from: CLHIA, Fraser Group, Investor Economics, IFIC and LIMRA

## Stock Market and Interest Rate Sensitivity

As at June 30, 2016

S&P/TSX closing value	14,065
S&P/TSX level at which provisions for future policy benefits would have to be strengthened	9,800
S&P/TSX level at which the solvency ratio decreases to 150%	6,800
Full year impact on net income of a sudden 10% decrease in stock markets	(\$28M)
After-tax impact on reserves of a 10 bps decrease in the Initial Reinvestment Rate (IRR)	(\$31M)

### Head Office

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