

Third Quarter 2016 Conference Call

Presenters:

Yvon Charest, President and CEO

René Chabot, EVP, CFO and Chief Actuary

November 2, 2016



INVESTED IN YOU.

Another outstanding quarter

Profit

- ▶ Reported EPS of \$1.40: 12% above top of guidance (\$1.15-\$1.25 EPS)
- ▶ Core EPS of \$1.37: up 25% YoY
- ▶ Favourable policyholder experience (+\$0.12 EPS), mostly from Individual Insurance
- ▶ Market-related gain for hedging (+\$0.04 EPS), UL policies (+\$0.04 EPS) and MERs (+\$0.01 EPS)
- ▶ Favourable strain ratio at 12% vs. guidance of 15%

Business Growth

- ▶ The momentum continues in retail insurance in both Canada and US (+18%)
- ▶ Net fund sales turn positive reflecting improvement in mutual fund flows
- ▶ iA seg funds still 1st in Canada for net sales and 3rd for assets
- ▶ Growth in assets under management and administration (4% QoQ) reflects seg fund inflows and markets
- ▶ Growth in premiums and deposits (18% YoY) driven by inflows from individual and group wealth

Financial Strength

- ▶ Solvency ratio of 218% reflects capital issuance (207% post-redemption)
- ▶ Book value per share of \$38.63: +6% YoY and +3% QoQ
- ▶ Quarterly dividend of \$0.32 per common share (payout of 23% vs. target range of 30%)

Sales Highlights



Strong quarter for retail insurance and a turnaround for net fund sales

(\$Million, unless otherwise indicated)

	Third quarter			Year-to-date at September 30		
	2016	2015	Variation	2016	2015	Variation
▶ Individual Insurance						
Canada	50.3	43.1	17%	140.7	124.7	13%
United States	24.7	20.7	19%	72.6	55.9	30%
Total	75.0	63.8	18%	213.3	180.6	18%
▶ Individual Wealth Management						
Segregated funds - net sales	71.6	80.5	(8.9)	267.6	340.1	(72.5)
Mutual funds - net sales	(69.1)	(315.7)	246.6	(481.6)	(747.8)	266.2
Total - net sales	2.5	(235.2)	237.7	(214.0)	(407.7)	193.7
▶ Group Insurance						
Employee Plans	13.2	12.9	2%	48.3	53.5	(10%)
Dealer Services (Creditor Insurance & P&C)	165.3	165.6	0%	430.6	422.3	2%
Special Markets Solutions	42.9	41.9	2%	134.3	131.2	2%
Total	221.4	220.4	0%	613.2	607.0	1%
▶ Group Savings and Retirement	455.1	246.0	85%	1,114.2	839.2	33%
▶ iA Auto and Home	74.9	66.7	12%	219.2	195.1	12%

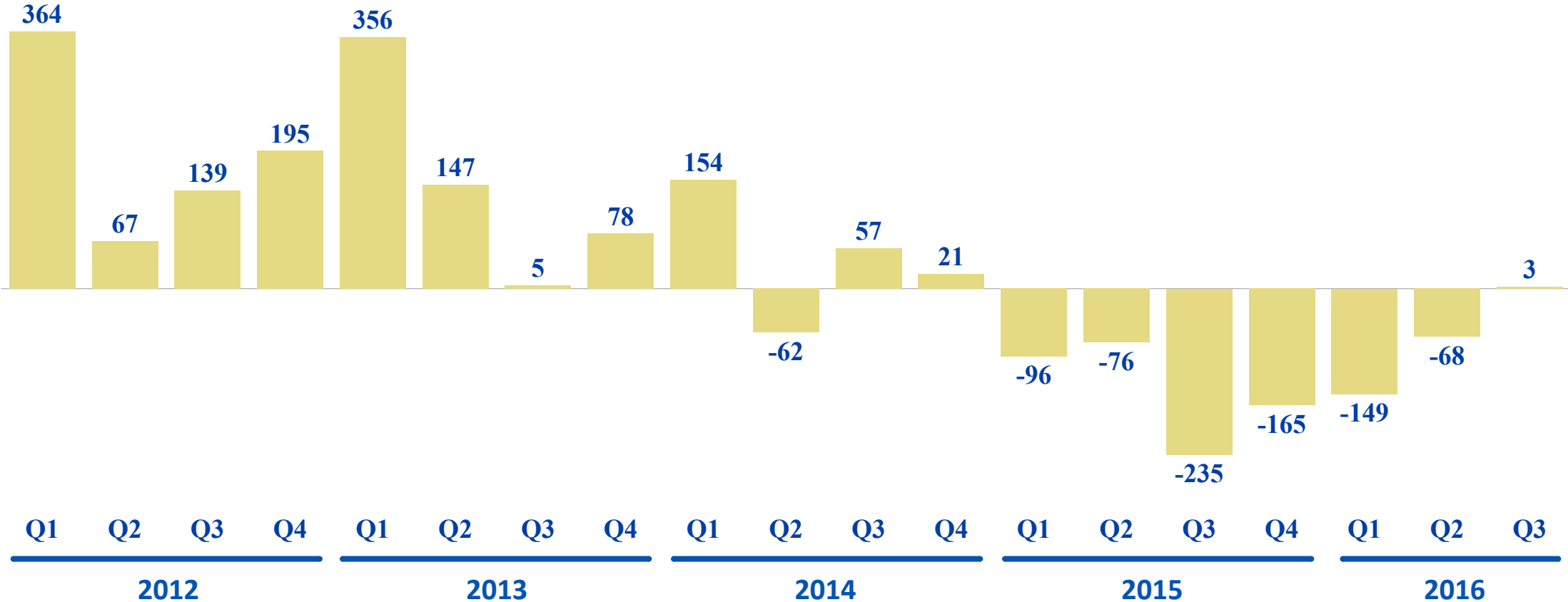
Mutual and Seg Fund Net Sales



Mutual fund business improving

Retail fund net sales

(\$M)



Strong YoY growth

(\$Million, unless otherwise indicated)

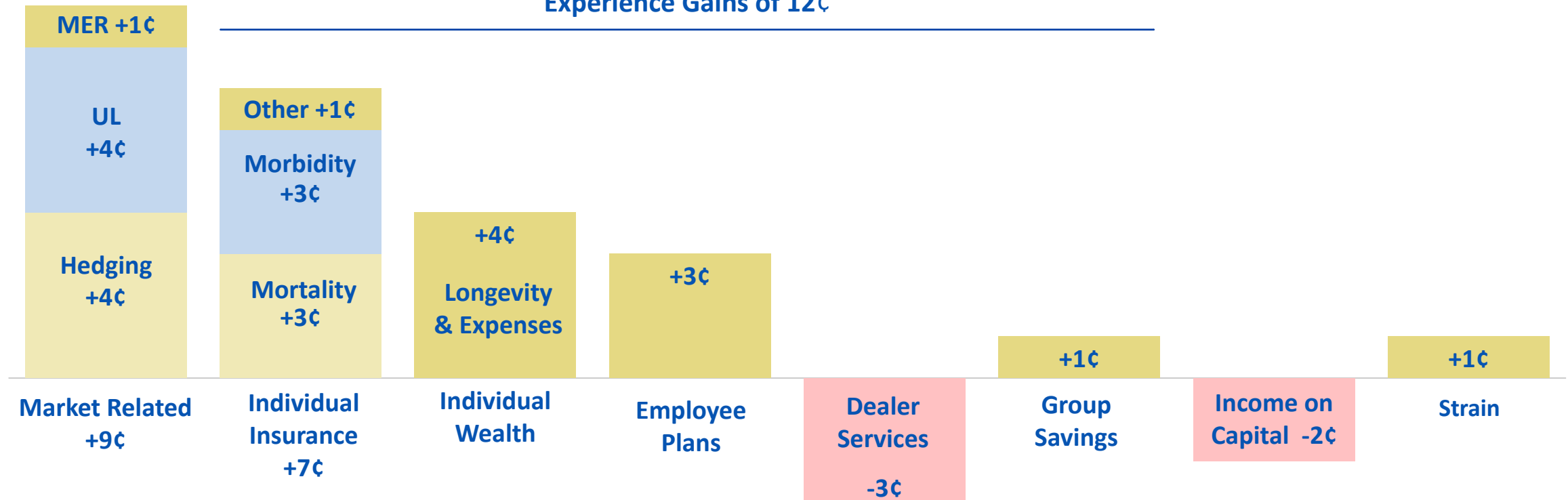
	Third quarter			Year-to-date at September 30		
	2016	2015	Variation	2016	2015	Variation
Net income attributed to shareholders	148.5	117.6	+26%	394.5	378.1	4%
Less: dividends attributed to preferred shares	4.1	4.5	(9%)	12.3	13.9	(12%)
Less: redemption premium on preferred shares	—	—	—	—	4.0	—
Net income attributed to common shareholders	144.4	113.1	+28%	382.2	360.2	6%
Earnings per common share (EPS) (diluted)	\$ 1.40	\$ 1.11	\$0.29	\$ 3.71	\$ 3.54	\$ 0.17
Return on common shareholders' equity (ROE)¹	14.7%	12.3%	240 bps	10.1%	13.5%	(340 bps)
Book value per share	\$38.63	\$36.45	6%	\$38.63	\$36.45	6%

Favourable policyholder experience continues

Q3 items of note

(gains and losses)

Experience Gains of 12¢



Policyholder Experience



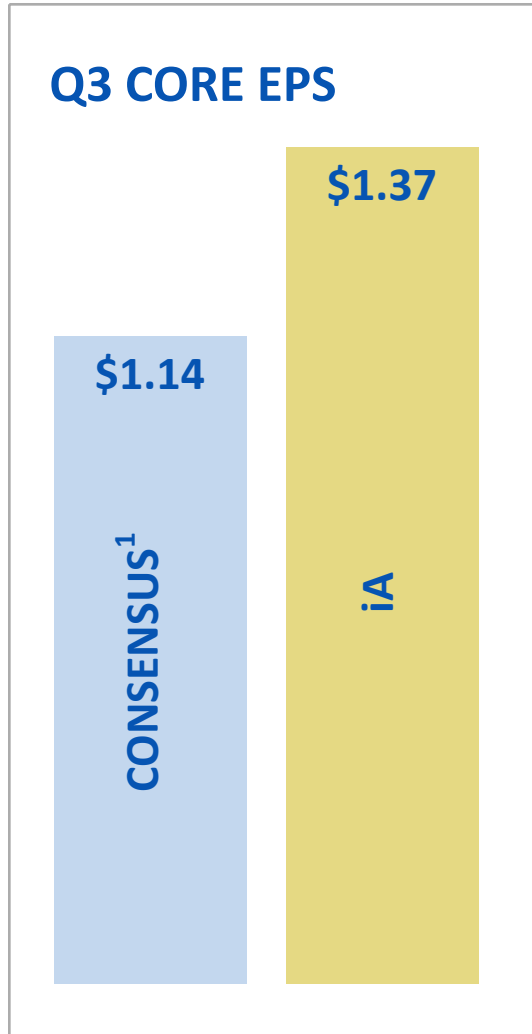
Third consecutive solid quarter

Experience by line of business (EPS impact in cents)	2016			2015				2015 Annual	2016 YTD	2015 YTD
	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Individual Insurance	7	4	2	9	9	14	(4)	28	13	19
Group Insurance	0	1	7	(2)	5	1	(3)	1	8	3
Individual Wealth Management	4	3	0	(7)	(2)	0	2	(7)	7	0
Group Savings and Retirement	1	2	0	(1)	2	0	1	2	3	3
Total	12	10	9	(1)	14	15	(4)	24	31	25
iAAH (Income on capital)	(3)	(1)	0	(3)	0	1	(6)	(8)	(4)	(5)

Management's View of Core



\$1.37 EPS for Q3, above guidance and consensus



Q3 Reported EPS **\$1.40**

No exceptional items

Items greater than ±4¢

- ▶ Individual Insur. gain (\$0.03)

Q3 Core EPS **\$1.37**

**25% growth in core EPS
vs. Q3/2015 (\$1.10)**

2016 YTD Core EPS

Q1	\$0.98	\$3.61
Q2	\$1.26	
Q3	\$1.37	

2016 YTD EPS Guidance

\$3.10	to	\$3.40
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¹ Core consensus as of October 25, 2016.

Q3 Results vs. Guidance



Clearly another strong beat

	Guidance	Reported	
EPS	\$1.15 to \$1.25	\$1.40	Reported and core (\$1.37) above guidance
ROE (quarter annualized)	11.0% to 12.5%	14.7%	Reported and core (14.4%) above guidance
Strain	15% ± 5%	12%	Lower than target on higher sales and lower expenses in Canada and US
Effective tax rate	18% to 20%	20%	In line with guidance
Solvency ratio	175% to 200%	218%	Above guidance, 207% post-redemption
Payout ratio	25% to 35% (mid-range)	23%	Below guidance

YTD Results vs. Guidance



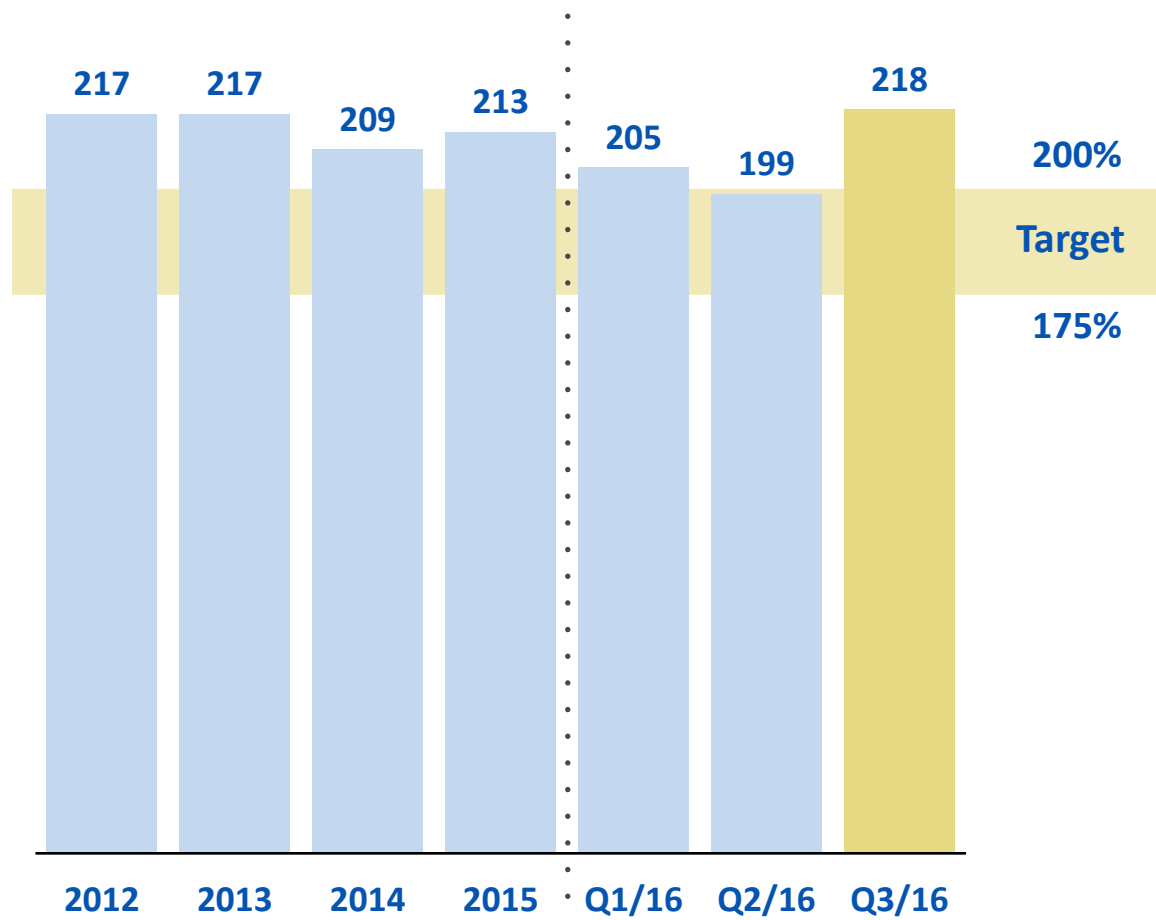
Still well ahead on our 2016 plan

	Guidance	Reported	
EPS	\$3.10 to \$3.40	\$3.71	YTD core is \$3.61
ROE (trailing twelve months)	11.0% to 12.5%	10.1%	12.6% on core basis
Strain	15% ± 5%	14%	Below annual target
Effective tax rate	18% to 20%	19%	Within guidance
Solvency ratio	175% to 200%	218%	Above guidance, 207% post-redemption
Payout ratio	25% to 35% (mid-range)	25%	At low end of guidance

Increase in solvency ratio reflects recent capital issuance

Solvency Ratio

(%, end of period)



Key changes during the quarter

- ▶ +18% Debt issue (\$400M)
- ▶ +2% Profit
- ▶ +2% CTL review
- ▶ -3% Interest rate decline

After redemption of the \$250M sub-debt in December, ratio would be **207%**

A Flexible Balance Sheet



Good capacity to fund our growth

	September 30 2016	June 30 2016	December 31 2015	September 30 2015	Agency	Rating
Solvency ratio	218% (207% post-redemption)	199%	213%	225%	S&P	A+ (Strong)
Leverage ratio	28.7% (25.4% post-redemption)	23.8%	24.3%	24.5%	A.M. Best	A+ (Superior)
Coverage ratio	10.3x	9.5x	8.2x	9.5x	DBRS	A (high)

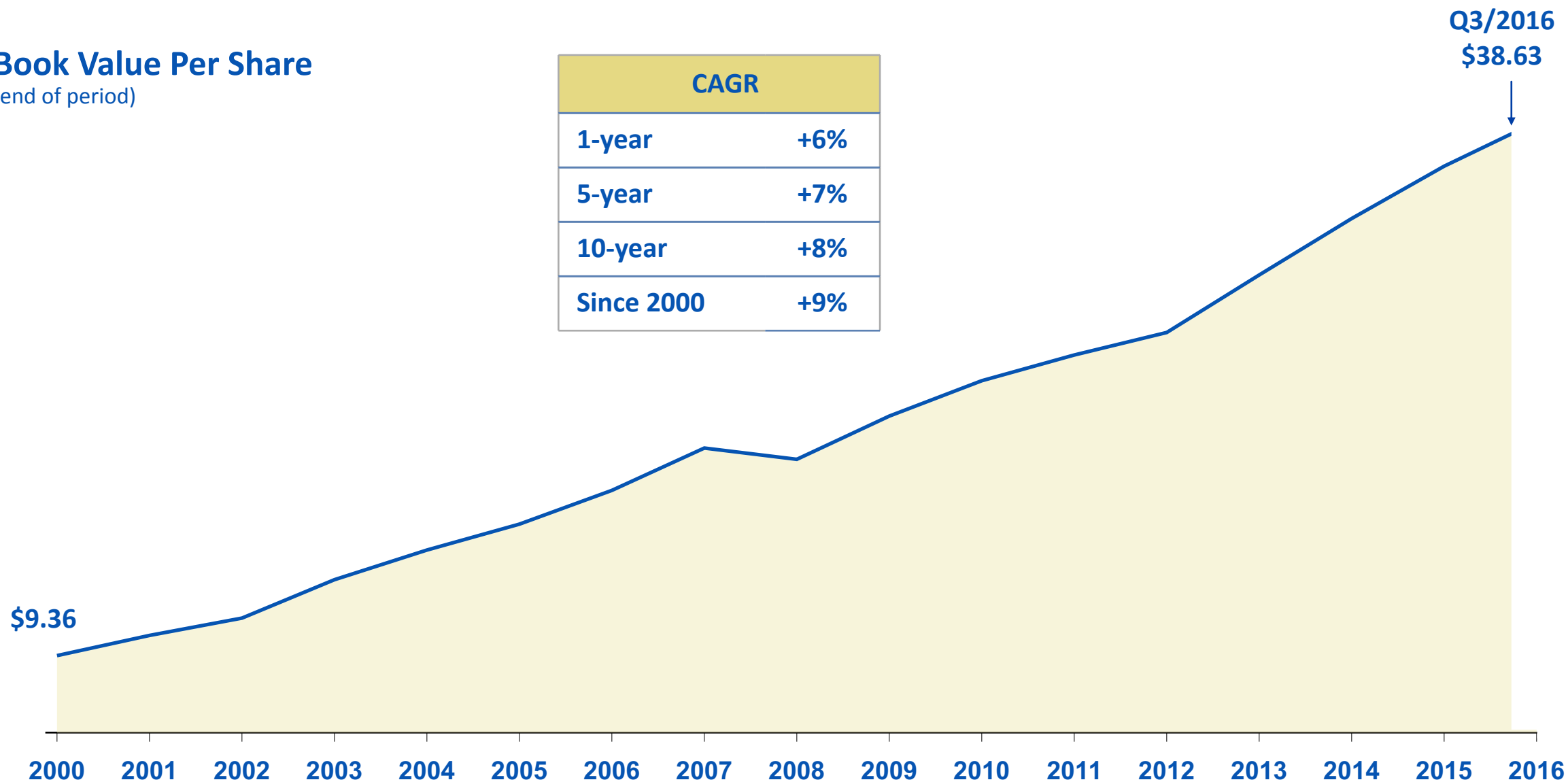
Steady Value Creation for Shareholders



Book Value Per Share

(end of period)

CAGR	
1-year	+6%
5-year	+7%
10-year	+8%
Since 2000	+9%



Individual Insurance Strain on New Business



+\$0.01 EPS in Q3 on higher sales volume and lower expenses

(\$Million, unless otherwise indicated)

	2016			2015				2014			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Sales	75.0	72.9	65.4	73.7	63.8	61.7	55.1	62.1	51.1	55.5	47.3
Strain	8.8	9.3	11.3	14.4	15.2	15.2	21.3	16.0	17.3	12.7	12.7
Strain (%)	12%	13%	17%	20%	24%	25%	39%	26%	34%	23%	27%
Annual total	14%			26%				27%			

2016 YTD is ahead of annual guidance

Income On Capital



Lower profit at iAAH due to adverse experience

(\$Million, pre-tax)	2016 Run Rate	2016			2015				2014			
		Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Investment income	30.0	32.1	33.5	33.5	33.7	27.7	28.4	32.6	29.8	29.3	27.2	26.7
Financing & Intangibles	(12.0)	(12.8)	(12.0)	(11.8)	(10.6)	(10.0)	(9.9)	(8.8)	(6.8)	(6.7)	(7.4)	(7.1)
Subtotal	18.0	19.3	21.5	21.7	23.1	17.7	18.5	23.8	23.0	22.6	19.8	19.6
iA Auto and Home	(0.5) with seasonality	1.3	(4.0)	(6.9)	(2.9)	5.8	1.7	(10.2)	5.1	4.7	0.1	(3.5)
Total	17.5	20.6	17.5	14.8	20.2	23.5	20.2	13.6	28.1	27.3	19.9	16.1

Effective Tax Rate (ETR)



Within guidance

(\$Million, unless otherwise indicated)

	2016			2015				2014			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Operating income	165.6	157.7	108.3	(20.7)	122.5	142.5	102.7	78.8	92.2	109.2	93.2
Income on capital	20.6	17.5	14.8	20.2	23.5	20.2	13.6	28.1	27.3	19.9	16.1
Pre-tax income	186.2	175.2	123.1	(0.5)	146.0	162.7	116.3	106.9	119.5	129.1	109.3
Income taxes	37.7	31.6	20.7	(8.8)	28.4	16.6	1.9	(16.8)	21.0	8.4	19.3
ETR	20%	18%	17%	NM	19%	10%	2%	NM	18%	7%	18%

Equity Market Sensitivity



(End of period)		Q3/2016	Q2/2016	Q4/2015	Q3/2015
S&P/TSX index		14,726 pts	14,065 pts	13,010 pts	13,307 pts
IAG solvency ratio		218%	199%	213%	225%
Sensitivities					
Stock matching long-term liabilities	Level of S&P/TSX before reserves require strengthening for future policy benefits	10,000 pts (-32%)	9,800 pts (-30%)	9,500 pts (-27%)	10,100 pts (-24%)
Solvency ratio	Level of S&P/TSX at which solvency ratio is 175%	7,300 pts (-50%)	8,600 pts (-39%)	7,900 pts (-39%)	6,900 pts (-48%)
	Level of S&P/TSX at which solvency ratio is 150%	5,800 pts (-61%)	6,800 pts (-52%)	6,100 pts (-53%)	5,400 pts (-59%)
Net income	Full-year potential impact of a sudden 10% decrease in equity markets	(\$29M)	(\$28M)	(\$28M)	(\$28M)

Interest Rate Sensitivity



(End of period)		Q3/2016	Q2/2016	Q4/2015	Q3/2015
IRR¹	Potential after-tax impact on reserves of a 10 bps decrease in IRR	(\$25M)	(\$31M)	(\$31M)	(\$32M)
URR	Potential after-tax impact on reserves of a 10 bps decrease in URR	(\$66M)	(\$65M)	(\$60M)	(\$57M)
Total	Potential after-tax impact on reserves of a 10 bps decrease in IRR and URR	(\$91M)	(\$96M)	(\$91M)	(\$89M)

¹ IRR sensitivity is mostly dependent on the variation of Canadian long-term rates.

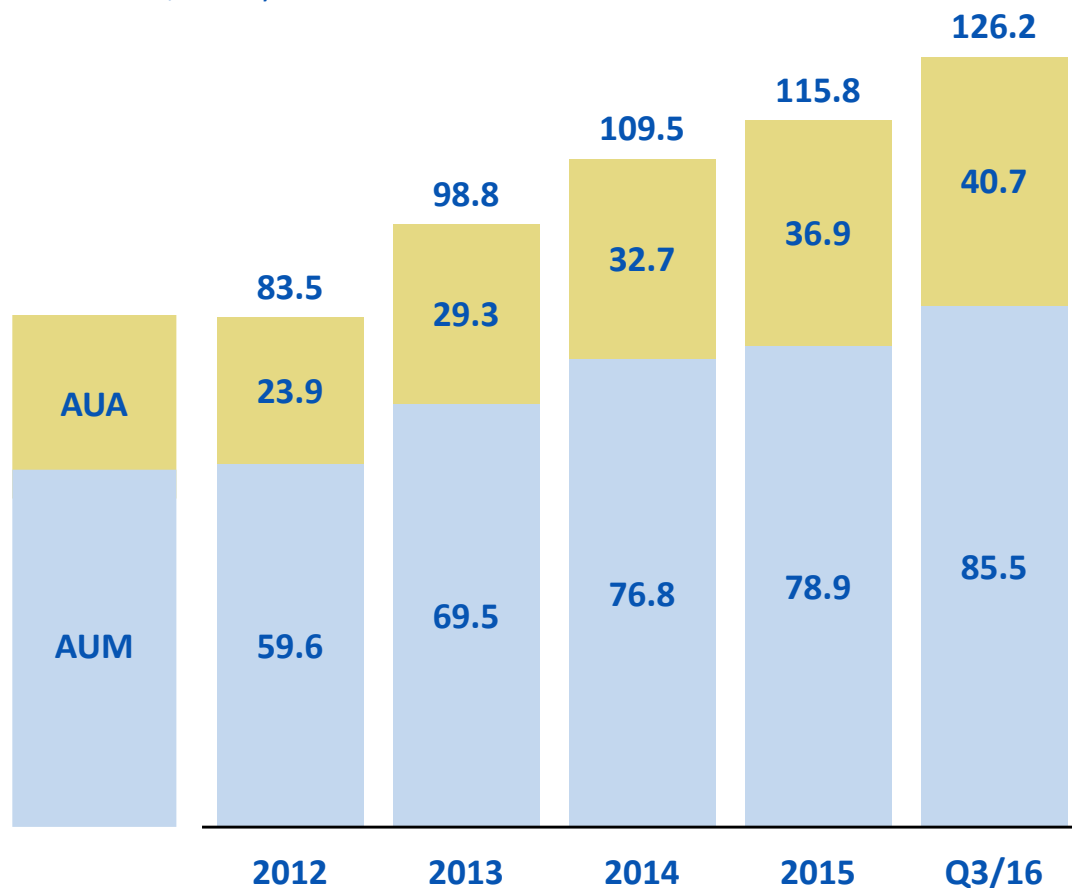
S&P/TSX Thresholds for Q4/2016 Gain/Loss



Earnings driver:	TSX threshold for gain or loss:	Threshold is compared to:	Potential impact on Q4/2016 net income of a $\pm 10\%$ variation vs. threshold:
Revenues on UL policy funds	14,928 ¹	Actual TSX value at the end of Q4/2016	$\pm \$8.7M$
MERs collected on investment funds	14,827 ²	Actual average value ³ of TSX during Q4/2016	$\pm \$5.0M$

AUM/AUA

(assets under management and administration, in \$B)

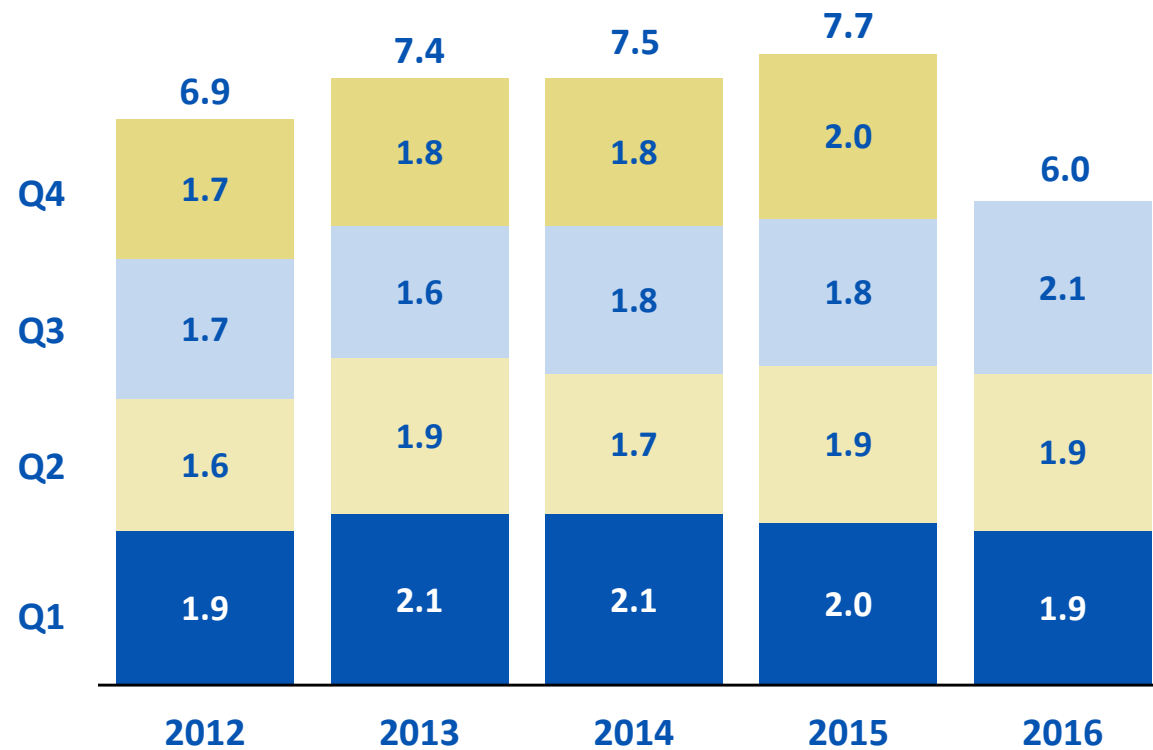


Assets Under Management and Administration		
(\$Billion, unless otherwise indicated)	September 30 2016	YoY
Assets under management		
General fund	37.1	14%
Segregated funds	21.5	13%
Mutual funds	10.5	0%
Other	16.4	9%
Subtotal	85.5	11%
Assets under administration	40.7	20%
Total	126.2	14%

Premiums and Deposits



Net premiums, premium equivalents and deposits (in \$B)



Q3/2016	\$Million	YoY
Individual Insurance	407.9	3%
Individual Wealth Management	791.0	13%
Group Insurance	370.0	0%
Group Savings and Retirement	448.3	87%
General Insurance	63.2	9%
TOTAL	2,080.4	18%

(\$Million, unless otherwise indicated)	Third quarter			Year-to-date at September 30		
	2016	2015	Variation	2016	2015	Variation
Sales¹						
Canada - Minimum premiums²	46.7	37.8	24%	123.8	112.0	11%
Canada - Excess premiums³	3.6	5.3	(32%)	16.9	12.7	33%
Canada - Total	50.3	43.1	17%	140.7	124.7	13%
US	24.7	20.7	19%	72.6	55.9	30%
Total	75.0	63.8	18%	213.3	180.6	18%
Premiums	407.9	395.8	3%	1,232.3	1,167.7	6%
Number of policies (Canada)	31,345	27,088	16%	84,632	79,889	6%

Individual Wealth Management



(\$Million, unless otherwise indicated)	Third quarter			Year-to-date at September 30		
	2016	2015	Variation	2016	2015	Variation
Gross sales¹						
General fund	83.9	28.0	200%	227.4	101.1	125%
Segregated funds	370.2	358.2	3%	1,176.4	1,214.4	(3%)
Mutual funds	336.9	313.7	7%	938.9	1,132.4	(17%)
Total	791.0	699.9	13%	2,342.7	2,447.9	(4%)
Net sales						
Segregated funds	71.6	80.5	(8.9)	267.6	340.1	(72.5)
Mutual funds	(69.1)	(315.7)	246.6	(481.6)	(747.8)	266.2
Total	2.5	(235.2)	237.7	(214.0)	(407.7)	193.7

(\$Million, unless otherwise indicated)	September 30	Q3	YTD	1-year
	2016	variation	variation	variation
Assets under management				
General fund	1,179.8	5%	8%	7%
Segregated funds	13,126.3	3%	7%	10%
Mutual funds	10,518.1	3%	1%	0%
Other	3,878.4	(2%)	5%	8%
Total	28,702.6	3%	4%	5%
Assets under administration	40,696.2	5%	10%	20%
Total AUM/AUA	69,398.8	4%	8%	14%

¹ Defined as net premiums for general and segregated funds, and deposits for mutual funds.

Group Insurance



(\$Million, unless otherwise indicated)	Third quarter			Year-to-date at September 30		
	2016	2015	Variation	2016	2015	Variation
Sales¹						
Employee Plans	13.2	12.9	2%	48.3	53.5	(10%)
Dealer Services - Creditor Insurance ²	109.7	109.1	1%	277.5	273.7	1%
Dealer Services - P&C Insurance	55.6	56.5	(2%)	153.1	148.6	3%
Dealer Services - Total	165.3	165.6	0%	430.6	422.3	2%
Special Markets Solutions	42.9	41.9	2%	134.3	131.2	2%
Total Group Insurance	221.4	220.4	0%	613.2	607.0	1%
Car loans³						
Dealer Services - Loan originations	100.6	---	---	297.2	---	---
Dealer Services - Finance receivables	467.4	263.7	77%	467.4	263.7	77%
Premiums and equivalents						
Premiums ⁴	341.8	340.0	1%	1,007.9	976.9	3%
Service contracts (ASO)	10.3	9.9	4%	34.2	32.2	6%
Investment contracts	17.9	19.0	(6%)	54.7	54.4	1%
Total	370.0	368.9	0%	1,096.8	1,063.5	3%

¹ Employee Plans: first-year annualized premiums (including premium equivalents), Dealer Services (Creditor): gross premiums (before reinsurance and cancellations), Dealer Services (P&C): direct written premiums, Special Markets Solutions: premiums before reinsurance. ² Includes all creditor insurance business sold by the Company. ³ Includes all car loans. Data begins on October 2, 2015, with the acquisition of CTL. Finance receivables of \$263.7 million presented in Q3-2015 are as at October 2, 2015. ⁴ Adjusted retroactively in Q4-2015 to include P&C premiums which were previously included in general insurance.

Group Savings and Retirement



Sales ¹ (\$Million, unless otherwise indicated)	Third quarter			Year-to-date at September 30		
	2016	2015	Variation	2016	2015	Variation
Accumulation products	420.3	226.9	85%	985.9	739.8	33%
Insured annuities	0.3	1.8	(83%)	79.6	21.3	274%
Deposits ²	34.5	17.3	99%	48.7	78.1	(38%)
Total	455.1	246.0	85%	1,114.2	839.2	33%

Funds under management	September 30, 2016	Q3 variation	YTD variation	1-year variation
Accumulation products	9,469.3	5%	11%	15%
Insured annuities	3,325.2	0%	4%	6%
Total	12,794.5	4%	9%	13%

¹ Sales are defined as gross premiums (before reinsurance) and deposits.

² Deposits include GICs held in trust and institutional management contracts.

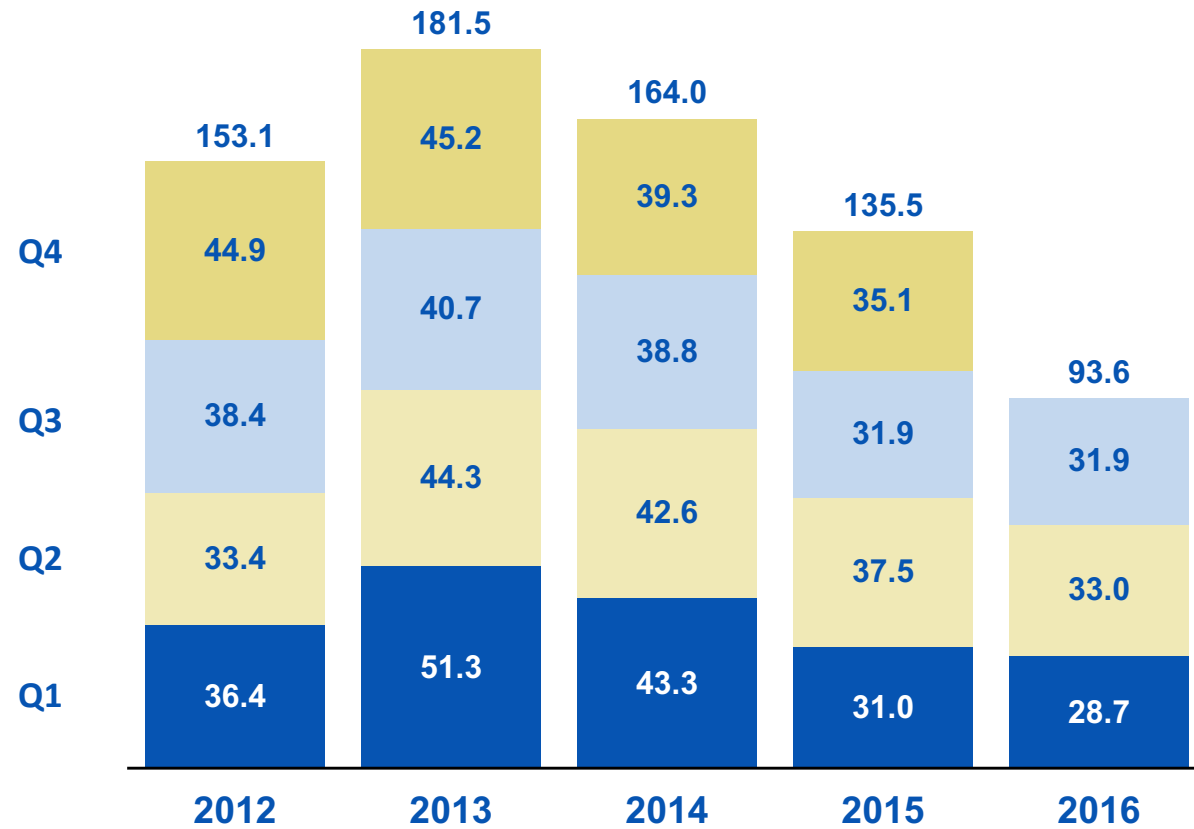
Continues to be of highest quality

	September 30 2016	June 30 2016	December 31 2015	September 30 2015
IMPAIRED INVESTMENTS AND PROVISIONS				
Gross impaired investments	\$17.8M	\$17.5M	\$19.7M	\$32.3M
Provisions for impaired investments	\$5.1M	\$4.8M	\$5.5M	\$5.3M
Net impaired investments	\$12.7M	\$12.7M	\$14.2M	\$27.0M
Net impaired investments as a % of investment portfolio	0.04%	0.04%	0.05%	0.10%
Provisions as a % of gross impaired investments	28.7%	27.4%	27.9%	16.4%
BONDS				
Proportion rated BB or lower	0.66%	0.69%	0.66%	0.67%
Delinquency rate	0.00%	0.00%	0.00%	0.00%
MORTGAGES – Delinquency rate	0.27%	0.26%	0.29%	0.35%
REAL ESTATE – Occupancy rate on investment properties	89.4%	89.4%	90.1%	90.1%
CAR LOANS - Average credit loss rate (trailing twelve months)¹	3.5%	---	---	---

¹ Includes all loans (prime and non-prime) and represents the total credit losses for the prior twelve months divided by the average finance receivables over the same period. Data first presented in Q3 2016 as CTL was acquired on October 2, 2015.

Value of New Business

(\$Million)



Year-over-year change by component	
Q3/2015	31.9
Higher sales	3.2
Variation in profit margins	2.2
Changes in economic assumptions	(5.4)
Q3/2016	31.9

EPS ¹			
Q1	\$0.90	to	\$1.00
Q2	\$1.05	to	\$1.15
Q3	\$1.15	to	\$1.25
Q4	\$1.10	to	\$1.20
2016	\$4.20	to	\$4.60

ROE ¹	11.0% to 12.5%
Strain	15% ± 5%
Effective tax rate	18% to 20%
Solvency ratio	175% to 200%
Payout ratio	25% to 35% (mid-range)

¹ No reserve strengthening considered in EPS and ROE guidance.

Contact

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Next Reporting Dates

Q4/2016 - February 16, 2017

Q1/2017 - May 11, 2017

Q2/2017 - August 3, 2017

Q3/2017 - November 8, 2017

Q4/2017 - February 15, 2018

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

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The Company believes that these non-IFRS financial measures provide investors and analysts with additional information to better understand the Company's financial results as well as assess its growth and earnings potential. Since non-IFRS financial measures do not have a standardized definition, they may differ from the non-IFRS financial measures used by other institutions. The Company 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.

No Offer or Solicitation to Purchase

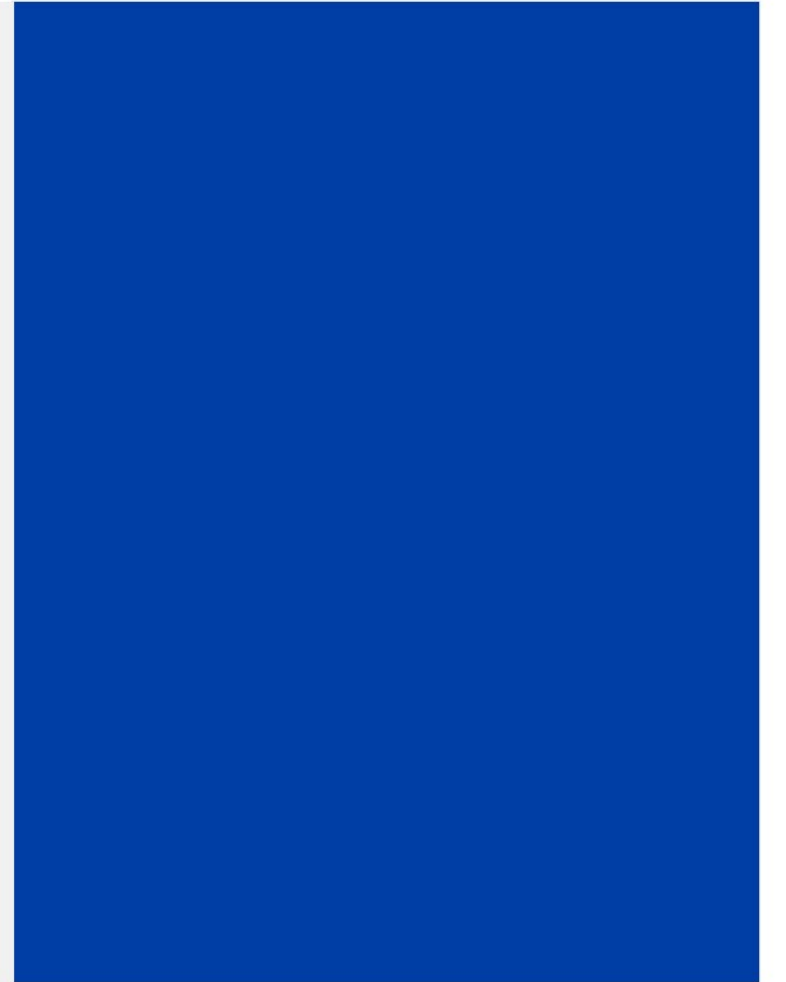
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