

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)

Fourth Quarter Highlights

	Q4/2016	Q4/2015
› Net income attributed to common shareholders	\$155.0M	\$4.2M
› EPS (diluted)	\$1.48	\$0.04
› Book value	\$40.97	\$36.76
› ROE (annualized)	14.9%	0.4%
› Solvency ratio	225%	213%
› Premiums & deposits	\$2,252.4M	\$2,004.7M
› Assets under management & administration	\$126.2B	\$115.8B

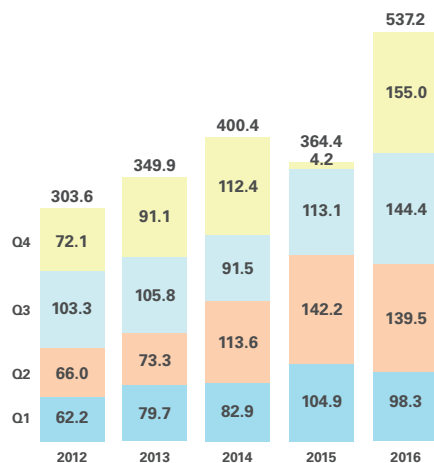
"2016 was clearly an excellent year for Industrial Alliance and for our shareholders. I want to highlight the outstanding results of our retail insurance operations both in Canada and the US, the industry-leading growth of our segregated fund business, and the successful turnaround in gross and net sales by our mutual fund business. Aside from organic growth, we are also excited by the expansion of our wealth management platform through the acquisition of HollisWealth in early December. The combination of our two groups propels us to the top of non-bank mutual fund distribution in Canada in terms of geographic footprint and assets under administration.

As for shareholder value creation, I am pleased to report that book value per share grew by 11% in 2016 and that we are announcing an increase in our dividend on common shares. As we celebrate our 125th anniversary this year, we are extremely enthusiastic about our opportunities for continued growth and development as a leading financial services organization."

Yvon Charest, President and Chief Executive Officer

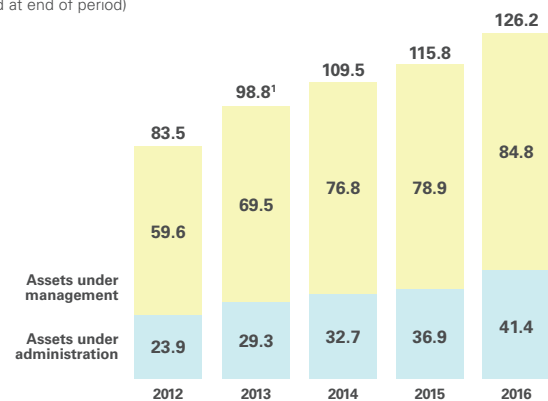
Net Income Attributed to Common Shareholders

(\$Million)



Assets Under Management & Administration

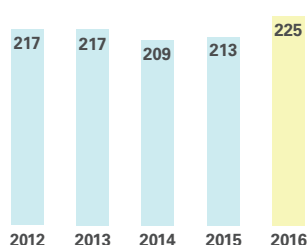
(\$Billion and at end of period)



¹In 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)



Share Information

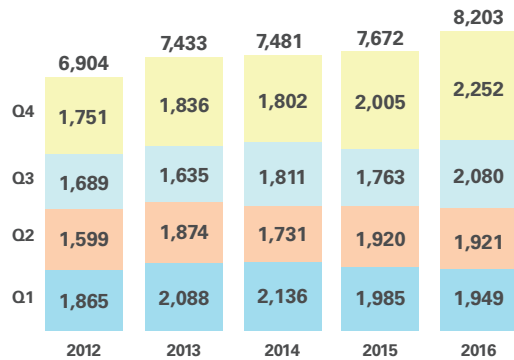
(As at December 31, 2016)

- › **Ticker:** IAG (TSX)
- › **Share price last 12 months (high/low):** \$58.05/\$35.00
- › **Share price (closing):** \$53.39
- › **Market capitalization:** \$5.7 billion
- › **Dividend per common share:** \$0.32 paid on December 15, 2016
\$0.35 payable March 15, 2017
- › **Number of shares outstanding:*** 104,479,348

* Daily weighted average for the quarter, on a diluted basis

Premiums, Premium Equivalents & Deposits

(\$Million)

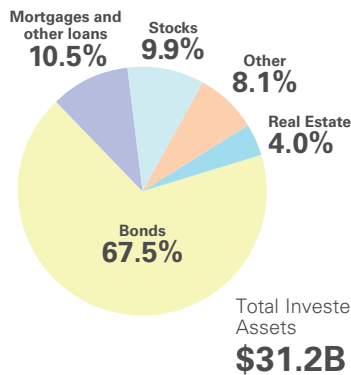


Note: The figures do not always add up exactly due to rounding differences.

Quality of Investments

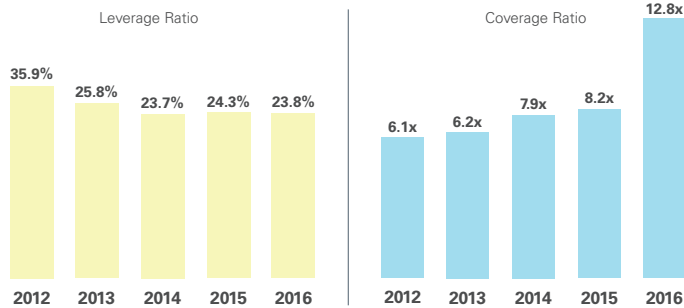
(As at December 31, 2016)

- Net impaired investments: 0.08% of total investments
- Bonds rated BB and lower: 0.76% of bond portfolio
- Mortgage loan delinquency rate: 0.27%
- Real estate occupancy rate: 90.2%



Debt Measures

(At the end of period)



Calendar of Events

- March 8, 2017** BMO 4th Annual Capital Wealth Management Forum
- March 29, 2017** NBF 15th Annual Financial Services Conference
- May 11, 2017** Annual meeting and 1st quarter 2017 financial results

Sales Growth

Line of business (\$Million)	Q4/2016	Q4/2015
Individual Insurance	93.4	73.7
Individual Wealth Management		
- General fund	73.2	29.3
- Segregated funds	383.2	366.8
- Mutual funds	535.4	296.1
Group Insurance		
- Employee Plans	23.1	14.5
- Dealers – Creditor Insurance	85.5	89.3
- Dealers – P & C	43.8	49.1
- Special Markets Solutions	59.8	59.1
Group Savings and Retirement	367.2	477.0
General Insurance (auto and home)	59.4	52.2

Market Shares

Line of business	New Business ¹		In force ²	
	Rank	Market Share	Rank	Market Share
Individual Insurance	4 th	8.6%	4 th	8.7%
Individual Wealth Management				
- Segregated funds	3 rd	14.1%	3 rd	11.6%
- Mutual funds	20 th	-	18 th	-
Group Insurance ³	6 th	5.5%	7 th	3.5%
Group Savings and Retirement	5 th	7.0%	4 th	5.2%

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

² Assets, except for Individual and Group Insurance where it refers to premiums

³ 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 December 31, 2016)

S&P/TSX closing value	15,288
S&P/TSX level at which provisions for future policy benefits would have to be strengthened	11,400
S&P/TSX level at which the solvency ratio decreases to 150%	5,600
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)	(\$24M)

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