



At December 31, 2017

Financial Information Package (unaudited)



For the Fourth Quarter of 2017



GENERAL INFORMATION

Founded in 1892, the history of iA Financial Group is marked by impressive growth. Today, it is a major financial group with operations throughout Canada and in the United States, offering a complete range of insurance and investment solutions for both individuals and groups. With over four million clients and more than 6,100 employees, iA Financial Group is ranked among the top four life and health insurers in Canada and is one of the country's leading non-banking financial companies in the wealth management sector. iA Financial Group is one of Canada's largest public companies and trades on the Toronto Stock Exchange under the stock symbol IAG.

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Share Information

iA Financial Group's common shares are listed on the Toronto Stock Exchange under the stock symbol IAG.

Credit Ratings

The following credit ratings have been assigned to Industrial Alliance Insurance and Financial Services Inc.

Standard & Poor's: A+
DBRS: A (high)
A.M. Best: A+ (Superior)

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2017 Reporting Dates

2017 Fourth quarter - February 15, 2018
2018 First quarter - May 10, 2018
2018 Second quarter - August 2, 2018
2018 Third quarter - November 7, 2018

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

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Basis of Presentation

All amounts in this document are presented on an IFRS basis unless otherwise indicated and except for some specific measures (see Non-IFRS Financial Information below). Amounts are expressed in millions of Canadian dollars unless otherwise indicated.

Certain prior period amounts have been reclassified to conform to the current period's presentation.

Non-IFRS Financial Information

iA Financial Group 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 the Company'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. The Company believes that these non-IFRS financial measures provide additional information to better understand the Company's financial results and assess its growth and earnings potential, and that they facilitate comparison of the quarterly and full-year results of the Company'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. 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.

Non-IFRS financial measures published by the Company 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.

HIGHLIGHTS

<i>(In millions of dollars, unless otherwise indicated)</i>	Three months ended December 31			Twelve months ended December 31		
	2017	2016	Variation	2017	2016	Variation
PROFITABILITY						
Net income attributed to shareholders	136.6	159.2	(14%)	531.4	553.7	(4%)
Dividends attributed to preferred shares	3.8	4.2	(10%)	15.9	16.5	(4%)
Redemption premium on preferred shares	—	—	—	—	—	—
Net income attributed to common shareholders	<u>132.8</u>	<u>155.0</u>	<u>(14%)</u>	<u>515.5</u>	<u>537.2</u>	<u>(4%)</u>
Earnings per common share						
Basic	\$1.25	\$1.50	(\$0.25)	\$4.84	\$5.22	(\$0.38)
Diluted	\$1.24	\$1.48	(\$0.24)	\$4.81	\$5.19	(\$0.38)
Diluted, core ¹	\$1.27	\$1.14	\$0.13	\$4.88	\$4.67	\$0.21
Return on common shareholders' equity ¹						
Quarter annualized	11.4%	14.9%	(350 pbs)	—	—	—
Trailing 12 months	11.4%	13.2%	(180 pbs)	—	—	—
Trailing 12 months, core	11.5%	11.9%	(40 pbs)	—	—	—
BUSINESS GROWTH						
Sales by line of business ¹						
Individual Insurance	74.9	93.4	(20%)	288.1	306.7	(6%)
Individual Wealth Management						
General fund	86.2	73.2	18%	326.7	300.6	9%
Segregated funds	451.9	383.2	18%	1,883.4	1,559.6	21%
Mutual funds	559.7	535.4	5%	2,365.4	1,474.3	60%
Total	<u>1,097.8</u>	<u>991.8</u>	<u>11%</u>	<u>4,575.5</u>	<u>3,334.5</u>	<u>37%</u>
Group Insurance						
Employee Plans	7.3	23.1	(68%)	107.6	71.4	51%
Dealer Services - Creditor Insurance ²	99.0	85.5	16%	401.4	363.0	11%
Dealer Services - P&C	49.0	43.8	12%	233.4	196.9	19%
Special Markets Solutions	79.1	59.8	32%	231.2	194.1	19%
Group Savings and Retirement	334.7	367.2	(9%)	1,545.1	1,481.4	4%
General Insurance						
iAAH (Auto & Home)	64.2	59.4	8%	308.8	278.6	11%
Net premiums, premium equivalent and deposits by line of business						
Individual Insurance	470.3	453.8	4%	1,787.3	1,686.1	6%
Individual Wealth Management	1,097.8	991.8	11%	4,575.5	3,334.5	37%
Group Insurance	445.9	379.6	17%	1,625.9	1,476.4	10%
Group Savings and Retirement	328.3	360.6	(9%)	1,518.9	1,455.0	4%
General Insurance ³	72.8	66.6	9%	280.5	250.5	12%
Total	<u>2,415.1</u>	<u>2,252.4</u>	<u>7%</u>	<u>9,788.1</u>	<u>8,202.5</u>	<u>19%</u>
Assets under management and administration	<u>169,539.8</u>	<u>126,234.2</u>	<u>34%</u>	<u>169,539.8</u>	<u>126,234.2</u>	<u>34%</u>

¹ Non-IFRS measures. See glossary at the end of this document for definitions.

² Includes all creditor insurance business sold by the Company.

³ Includes iA Auto and Home premiums, other activities that have no link with key segments and some minor consolidation adjustments.

HIGHLIGHTS (continued)

<i>(In millions of dollars, unless otherwise indicated)</i>	December 31, 2017	September 30, 2017	December 31, 2016
QUALITY OF INVESTMENTS			
Impaired investments and provisions (excluding insured loans)			
Net impaired investments	23.4	25.5	23.4
Net impaired investments as a % of investment portfolio	0.07%	0.08%	0.08%
Provisions for impaired investments (specific)	7.5	5.6	5.6
As a % of gross impaired investments	24.3%	18.0%	19.3%
Bonds			
Rated BB and lower	0.99%	0.85%	0.76%
Mortgages			
Delinquency rate	0.34%	0.34%	0.27%
Occupancy rate on investment properties	93.0%	89.0%	90.2%
SOLVENCY RATIO¹	209%	213%	225%
BOOK VALUE PER OUTSTANDING COMMON SHARE	\$44.20	\$43.27	\$40.97

¹ Non-IFRS measure. See glossary at the end of this document for definition.

PROFITABILITY

<i>(In millions of dollars, unless otherwise indicated)</i>	2017				2016				2015	2017	2016	2015
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Annual	Annual	Annual
Net income												
Net income	138.2	148.8	131.7	114.7	152.5	148.8	144.0	102.4	3.0	533.4	547.7	382.0
Net income attributed to participating policyholders	1.6	0.1	—	0.3	(6.7)	0.3	0.4	—	(5.3)	2.0	(6.0)	(4.4)
Net income attributed to shareholders	136.6	148.7	131.7	114.4	159.2	148.5	143.6	102.4	8.3	531.4	553.7	386.4
Dividends attributed to preferred shares	3.8	3.8	4.2	4.1	4.2	4.1	4.1	4.1	4.1	15.9	16.5	18.0
Redemption premium on preferred shares	—	—	—	—	—	—	—	—	—	—	—	4.0
Net income attributed to common shareholders	132.8	144.9	127.5	110.3	155.0	144.4	139.5	98.3	4.2	515.5	537.2	364.4
Earnings per common share												
Basic	\$1.25	\$1.36	\$1.20	\$1.04	\$1.50	\$1.41	\$1.36	\$0.96	\$0.04	\$4.84	\$5.22	\$3.59
Diluted	\$1.24	\$1.35	\$1.19	\$1.03	\$1.48	\$1.40	\$1.35	\$0.96	\$0.04	\$4.81	\$5.19	\$3.57
Diluted, core ¹	\$1.27	\$1.35	\$1.19	\$1.07	\$1.14	\$1.28	\$1.21	\$1.04	\$0.96	\$4.88	\$4.67	\$4.04
Return on common shareholders' equity¹												
Quarter annualized	11.4%	12.7%	11.4%	10.0%	14.9%	14.7%	14.7%	10.5%	0.4%	—	—	—
Trailing 12 months	11.4%	12.5%	12.9%	13.4%	13.2%	10.1%	9.4%	9.8%	10.2%	—	—	—
Trailing 12 months, core	11.5%	11.8%	11.8%	12.0%	11.9%	12.0%	11.9%	12.0%	11.5%	—	—	—
Net income attributed to common shareholders by line of business												
Individual Insurance	57.3	89.2	77.8	56.9	112.9	87.3	81.3	65.4	(40.6)	281.2	346.9	166.9
Individual Wealth Management	43.6	33.0	34.7	38.4	30.2	37.7	38.4	9.4	32.3	149.7	115.7	131.9
Group Insurance	16.7	18.2	9.5	9.7	3.1	14.0	14.9	21.4	4.8	54.1	53.4	39.5
Group Savings and Retirement	15.2	4.5	5.5	5.3	8.8	5.4	4.9	2.1	7.7	30.5	21.2	26.1
Total	132.8	144.9	127.5	110.3	155.0	144.4	139.5	98.3	4.2	515.5	537.2	364.4

SPECIFIED ITEMS¹

<i>(In millions of dollars, unless otherwise indicated)</i>	2017				2016				2015	2017	2016	2015
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Annual	Annual	Annual
Impact on net income to common shareholders												
Impact of market on expected earnings ²												
Increase (decrease) in income on UL policies	5.7	(1.0)	(1.6)	1.9	2.9	4.3	—	(4.5)	5.8	5.0	2.7	(1.0)
Higher (lower) than expected management fees ³	1.3	(0.5)	0.3	1.0	0.1	1.2	0.8	(1.5)	1.4	2.1	0.6	1.7
Impact of dynamic hedging	3.1	5.2	4.2	9.5	(0.9)	3.9	10.1	(6.3)	3.8	22.0	6.8	9.9
Other												
Changes in assumptions and management actions	(10.6)	—	—	—	23.2	—	—	—	(107.9)	(10.6)	23.2	(107.9)

¹ Non-IFRS measures. See glossary at the end of this document for definitions.

² Approximate impact of market variations as compared to the expected net earnings that the Company would have earned under normal market conditions.

³ Expected profit on in-force for the wealth management businesses is updated on a quarterly basis to reflect market growth and net sales.

SOURCES OF EARNINGS BY LINE OF BUSINESS

<i>(In millions of dollars, unless otherwise indicated)</i>	2017				2016				2015	2017	2016	2015
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Annual	Annual	Annual
Individual Insurance												
Operating profit (loss) ¹												
Expected profit on in-force	89.0	89.9	87.3	84.4	80.7	81.7	79.6	76.8	72.6	350.6	318.8	291.4
Experience gain (loss)	1.7	(0.2)	(4.0)	(23.8)	26.2	15.3	5.9	(2.9)	20.3	(26.3)	44.5	37.1
Strain on sales	(4.7)	(3.3)	(2.5)	(4.4)	(5.1)	(8.8)	(9.3)	(11.3)	(14.4)	(14.9)	(34.5)	(66.1)
Changes in assumptions and management actions	(31.6)	—	—	—	12.3	—	—	—	(166.2)	(31.6)	12.3	(166.2)
Total	54.4	86.4	80.8	56.2	114.1	88.2	76.2	62.6	(87.7)	277.8	341.1	96.2
Income on capital ¹	20.2	30.3	15.8	14.7	22.9	18.3	15.7	13.0	21.2	81.0	69.9	77.0
Income taxes ¹	(15.1)	(25.1)	(16.2)	(11.5)	(21.4)	(16.7)	(8.1)	(7.6)	28.7	(67.9)	(53.8)	8.9
Net income (loss) attributed to shareholders	59.5	91.6	80.4	59.4	115.6	89.8	83.8	68.0	(37.8)	290.9	357.2	182.1
Dividends attributed to preferred shares	2.2	2.4	2.6	2.5	2.7	2.5	2.5	2.6	2.8	9.7	10.3	12.4
Redemption premium on preferred shares	—	—	—	—	—	—	—	—	—	—	—	2.8
Net income (loss) attributed to common shareholders	57.3	89.2	77.8	56.9	112.9	87.3	81.3	65.4	(40.6)	281.2	346.9	166.9
Individual Wealth Management												
Operating profit ¹												
Expected profit on in-force	52.4	50.6	45.9	38.2	40.7	38.8	38.8	32.6	39.6	187.1	150.9	160.8
Experience gain (loss)	1.5	1.1	5.2	17.3	(1.6)	12.6	19.7	(9.0)	(2.5)	25.1	21.7	3.9
Strain on sales	(2.1)	(1.9)	(2.5)	(1.3)	(1.0)	(0.9)	(1.4)	(1.2)	(0.8)	(7.8)	(4.5)	(1.7)
Changes in assumptions and management actions	8.9	—	—	—	10.4	—	—	—	11.8	8.9	10.4	11.8
Total	60.7	49.8	48.6	54.2	48.5	50.5	57.1	22.4	48.1	213.3	178.5	174.8
Income on capital ¹	(3.0)	(3.6)	(1.0)	(0.8)	(5.5)	(1.0)	(1.1)	(0.9)	(2.9)	(8.4)	(8.5)	(8.9)
Income taxes ¹	(13.0)	(12.3)	(11.8)	(13.9)	(11.8)	(10.7)	(16.5)	(11.1)	(12.1)	(51.0)	(50.1)	(29.8)
Net income attributed to shareholders	44.7	33.9	35.8	39.5	31.2	38.8	39.5	10.4	33.1	153.9	119.9	136.1
Dividends attributed to preferred shares	1.1	0.9	1.1	1.1	1.0	1.1	1.1	1.0	0.8	4.2	4.2	3.5
Redemption premium on preferred shares	—	—	—	—	—	—	—	—	—	—	—	0.7
Net income attributed to common shareholders	43.6	33.0	34.7	38.4	30.2	37.7	38.4	9.4	32.3	149.7	115.7	131.9
Group Insurance												
Operating profit ¹												
Expected profit on in-force	20.3	22.6	18.0	13.9	18.7	20.9	17.0	11.7	11.8	74.8	68.3	46.2
Experience gain (loss)	4.5	(1.5)	(5.8)	(1.6)	(12.4)	(0.6)	0.6	9.2	(2.0)	(4.4)	(3.2)	2.4
Strain on sales	—	—	—	—	—	—	—	—	—	—	—	—
Changes in assumptions and management actions	(4.4)	—	—	—	(0.5)	—	—	—	(2.1)	(4.4)	(0.5)	(2.1)
Total	20.4	21.1	12.2	12.3	5.8	20.3	17.6	20.9	7.7	66.0	64.6	46.5
Income on capital ¹	2.4	4.2	1.1	1.3	(5.2)	2.8	2.4	2.2	1.2	9.0	2.2	6.7
Income taxes ¹	(5.7)	(6.7)	(3.4)	(3.5)	2.9	(8.7)	(4.7)	(1.3)	(3.7)	(19.3)	(11.8)	(11.8)
Net income attributed to shareholders	17.1	18.6	9.9	10.1	3.5	14.4	15.3	21.8	5.2	55.7	55.0	41.4
Dividends attributed to preferred shares	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	1.6	1.6	1.5
Redemption premium on preferred shares	—	—	—	—	—	—	—	—	—	—	—	0.4
Net income attributed to common shareholders	16.7	18.2	9.5	9.7	3.1	14.0	14.9	21.4	4.8	54.1	53.4	39.5

¹ Non-IFRS measures. See glossary at the end of this document for definitions.

SOURCES OF EARNINGS BY LINE OF BUSINESS (continued)

(In millions of dollars, unless otherwise indicated)	2017				2016				2015	2017	2016	2015
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Annual	Annual	Annual
Group Savings and Retirement												
Operating profit ¹												
Expected profit on in-force	6.9	6.9	6.7	6.3	5.7	5.1	5.0	5.0	5.4	26.8	20.8	20.5
Experience gain (loss)	1.6	(1.6)	0.8	0.9	(2.7)	1.5	1.8	0.1	(1.2)	1.7	0.7	1.8
Strain on sales	(0.8)	(0.1)	(0.5)	(0.5)	(0.5)	—	—	(2.7)	(2.3)	(1.9)	(3.2)	(2.1)
Changes in assumptions and management actions	12.6	—	—	—	9.5	—	—	—	9.3	12.6	9.5	9.3
Total	20.3	5.2	7.0	6.7	12.0	6.6	6.8	2.4	11.2	39.2	27.8	29.5
Income on capital ¹	0.5	0.9	0.4	0.6	—	0.5	0.5	0.5	0.7	2.4	1.5	2.7
Income taxes ¹	(5.5)	(1.5)	(1.8)	(1.9)	(3.1)	(1.6)	(2.3)	(0.7)	(4.1)	(10.7)	(7.7)	(5.4)
Net income attributed to shareholders	15.3	4.6	5.6	5.4	8.9	5.5	5.0	2.2	7.8	30.9	21.6	26.8
Dividends attributed to preferred shares	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4	0.4	0.6
Redemption premium on preferred shares	—	—	—	—	—	—	—	—	—	—	—	0.1
Net income attributed to common shareholders	15.2	4.5	5.5	5.3	8.8	5.4	4.9	2.1	7.7	30.5	21.2	26.1
Total Company												
Operating profit (loss) ¹												
Expected profit on in-force	168.6	170.0	157.9	142.8	145.8	146.5	140.4	126.1	129.4	639.3	558.8	518.9
Experience gain (loss)	9.3	(2.2)	(3.8)	(7.2)	9.5	28.8	28.0	(2.6)	14.6	(3.9)	63.7	45.2
Strain on sales	(7.6)	(5.3)	(5.5)	(6.2)	(6.6)	(9.7)	(10.7)	(15.2)	(17.5)	(24.6)	(42.2)	(69.9)
Changes in assumptions and management actions	(14.5)	—	—	—	31.7	—	—	—	(147.2)	(14.5)	31.7	(147.2)
Total	155.8	162.5	148.6	129.4	180.4	165.6	157.7	108.3	(20.7)	596.3	612.0	347.0
Income on capital ¹	20.1	31.8	16.3	15.8	12.2	20.6	17.5	14.8	20.2	84.0	65.1	77.5
Income taxes ¹	(39.3)	(45.6)	(33.2)	(30.8)	(33.4)	(37.7)	(31.6)	(20.7)	8.8	(148.9)	(123.4)	(38.1)
Net income attributed to shareholders	136.6	148.7	131.7	114.4	159.2	148.5	143.6	102.4	8.3	531.4	553.7	386.4
Dividends attributed to preferred shares	3.8	3.8	4.2	4.1	4.2	4.1	4.1	4.1	4.1	15.9	16.5	18.0
Redemption premium on preferred shares	—	—	—	—	—	—	—	—	—	—	—	4.0
Net income attributed to common shareholders	132.8	144.9	127.5	110.3	155.0	144.4	139.5	98.3	4.2	515.5	537.2	364.4

¹ Non-IFRS measures. See glossary at the end of this document for definitions.

EXPERIENCE AND SPECIFIC ITEMS¹
(Earnings per diluted weighted average number of common share)

	2017				2016				2015	2017	2016	2015
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Annual	Annual	Annual
Specific gains and losses												
Changes in assumptions and management actions	(0.10)	—	—	—	0.22	—	—	—	(1.05)	(0.10)	0.22	(1.05)
Income tax gain and loss	—	(0.02)	0.01	—	0.06	—	0.03	—	—	(0.01)	0.09	0.36
Debtenture and preferred share redemption	—	—	—	—	(0.03)	—	—	—	—	—	(0.03)	(0.04)
Tax on premiums (in Individual Insurance)	—	—	—	(0.04)	—	—	—	—	—	(0.04)	—	—
HollisWealth integration (in Individual Wealth Mgt.)	(0.02)	(0.03)	(0.02)	(0.01)	—	—	—	—	—	(0.08)	—	—
Total	(0.12)	(0.05)	(0.01)	(0.05)	0.25	—	0.03	—	(1.05)	(0.23)	0.28	(0.73)
Market-related gains and losses²												
Increase (decrease) in income on UL policies	0.05	(0.01)	(0.02)	0.02	0.03	0.04	—	(0.04)	0.06	0.04	0.03	(0.01)
Higher (lower) than expected management fees ³	0.01	(0.01)	—	0.01	—	0.01	0.01	(0.01)	0.01	0.01	0.01	0.02
Impact of dynamic hedging	0.03	0.05	0.04	0.09	(0.01)	0.04	0.10	(0.06)	0.04	0.21	0.07	0.09
Total	0.09	0.03	0.02	0.12	0.02	0.09	0.11	(0.11)	0.11	0.26	0.11	0.10
Policyholder experience gains and losses												
Individual Insurance	(0.04)	0.01	(0.01)	(0.15)	0.16	0.07	0.04	0.02	0.09	(0.19)	0.29	0.28
Individual Wealth Management	(0.01)	(0.01)	0.02	0.03	—	0.04	0.03	—	(0.07)	0.03	0.07	(0.09)
Group Insurance	0.03	(0.01)	(0.04)	(0.01)	(0.09)	—	0.01	0.07	(0.02)	(0.03)	(0.01)	0.01
Group Savings and Retirement	0.01	(0.01)	0.01	0.01	(0.02)	0.01	0.02	—	(0.01)	0.02	0.01	0.02
Total	(0.01)	(0.02)	(0.02)	(0.12)	0.05	0.12	0.10	0.09	(0.01)	(0.17)	0.36	0.22
Other experience gains and losses												
Strain on sales (in Individual Insurance)	(0.02)	(0.01)	0.02	0.04	0.01	0.01	0.01	—	0.01	0.03	0.03	0.03
iA Auto and Home	—	0.01	(0.04)	(0.03)	(0.03)	(0.03)	(0.01)	—	(0.03)	(0.06)	(0.07)	(0.08)
Investment income on capital	—	0.04	0.02	0.04	—	0.01	0.02	0.03	0.02	0.10	0.06	0.04
Total gains and losses	(0.06)	—	(0.01)	—	0.30	0.20	0.26	0.01	(0.95)	(0.07)	0.77	(0.42)

¹ Non-IFRS measures. See glossary at the end of this document for definitions.

² Approximate impact of market variations as compared to the expected net earnings that the Company would have earned under normal market conditions.

³ Expected profit on in-force for the wealth management businesses is updated on a quarterly basis to reflect market growth and net sales.

REPORTED EPS AND CORE EPS RECONCILIATION

(Earnings per diluted weighted average number of common share)	2017				2016				2015	2017	2016	2015
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Annual	Annual	Annual
Reported earnings												
Earnings per common share - diluted	1.24	1.35	1.19	1.03	1.48	1.40	1.35	0.96	0.04	4.81	5.19	3.57
Return on common shareholders' equity - trailing 12 months ¹	11.4%	12.5%	12.9%	13.4%	13.2%	10.1%	9.4%	9.8%	10.2%	—	—	—
EPS adjustments (non-core items)^{1,2}												
Specific gains and losses												
Changes in assumptions and management actions	0.10	—	—	—	(0.22)	—	—	—	1.05	0.10	(0.22)	1.05
Income tax gain and loss	—	—	—	—	(0.06)	—	(0.03)	—	—	—	(0.09)	(0.36)
Debenture and preferred share redemption	—	—	—	—	0.03	—	—	—	—	—	0.03	0.04
Tax on premiums (in Individual Insurance)	—	—	—	0.04	—	—	—	—	—	0.04	—	—
HollisWealth integration (in Individual Wealth Mgt.)	0.02	0.03	0.02	0.01	—	—	—	—	—	0.08	—	—
Total	0.12	0.03	0.02	0.05	(0.25)	—	(0.03)	—	1.05	0.22	(0.28)	0.73
Market-related gains and losses	(0.09)	(0.03)	(0.02)	(0.12)	(0.02)	(0.09)	(0.11)	0.11	(0.11)	(0.26)	(0.11)	(0.10)
Policyholder experience gains and losses in excess of \$0.04 EPS³												
Individual Insurance	—	—	—	0.11	(0.12)	(0.03)	—	—	(0.05)	0.11	(0.15)	(0.20)
Individual Wealth Management	—	—	—	—	—	—	—	—	0.03	—	—	0.03
Group Insurance	—	—	—	—	0.05	—	—	(0.03)	—	—	0.02	(0.01)
Group Savings and Retirement	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	0.11	(0.07)	(0.03)	—	(0.03)	(0.02)	0.11	(0.13)	(0.18)
Other experience gains and losses in excess of \$0.04 EPS³												
Strain on sales (in Individual Insurance)	—	—	—	—	—	—	—	—	—	—	—	—
iA Auto and Home	—	—	—	—	—	—	—	—	—	—	—	0.02
Investment income on capital	—	—	—	—	—	—	—	—	—	—	—	—
Total adjustments	0.03	—	—	0.04	(0.34)	(0.12)	(0.14)	0.08	0.92	0.07	(0.52)	0.47
Core earnings^{1,2}												
Core earnings per common share - diluted	1.27	1.35	1.19	1.07	1.14	1.28	1.21	1.04	0.96	4.88	4.67	4.04
Core return on common shareholders' equity - trailing 12 months	11.5%	11.8%	11.8%	12.0%	11.9%	12.0%	11.9%	12.0%	11.5%	—	—	—

¹ Non-IFRS measures. See glossary at the end of this document for definitions.

² All amounts prior to 2017 have been revised to reflect the core earnings definition as updated on January 1, 2017.

³ Applied on a quarterly basis.

BUSINESS GROWTH

	2017				2016				2015	2017	2016	2015
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Annual	Annual	Annual
<i>(In millions of dollars, unless otherwise indicated)</i>												
Individual Insurance												
Sales ¹												
Canada - Minimum Premiums	46.2	40.5	43.0	40.5	62.6	46.7	43.2	33.9	43.0	170.2	186.4	155.0
Canada - Excess Premiums	6.6	6.2	5.0	6.0	8.8	3.6	5.2	8.1	9.2	23.8	25.7	21.9
United States	22.1	21.9	26.8	23.3	22.0	24.7	24.5	23.4	21.5	94.1	94.6	77.4
Total	74.9	68.6	74.8	69.8	93.4	75.0	72.9	65.4	73.7	288.1	306.7	254.3
Net premiums												
Canada	394.7	364.2	371.4	362.2	383.9	342.8	349.8	347.1	351.1	1,492.5	1,423.6	1,363.0
United States	75.6	71.7	76.0	71.5	69.9	65.1	63.4	64.1	59.7	294.8	262.5	215.5
Total	470.3	435.9	447.4	433.7	453.8	407.9	413.2	411.2	410.8	1,787.3	1,686.1	1,578.5
Individual Wealth Management												
Sales ¹												
General fund	86.2	69.3	77.2	94.0	73.2	83.9	85.0	58.5	29.3	326.7	300.6	130.4
Segregated funds	451.9	423.2	453.8	554.5	383.2	370.2	352.1	454.1	366.8	1,883.4	1,559.6	1,581.2
Mutual funds	559.7	461.8	560.1	783.8	535.4	336.9	316.7	285.3	296.1	2,365.4	1,474.3	1,428.5
Total	1,097.8	954.3	1,091.1	1,432.3	991.8	791.0	753.8	797.9	692.2	4,575.5	3,334.5	3,140.1
Net investment fund sales ¹												
Segregated funds	101.9	113.3	130.0	164.7	74.1	71.6	53.4	142.6	82.3	509.9	341.7	422.4
Mutual funds	30.7	21.6	76.9	200.0	77.2	(69.1)	(121.3)	(291.2)	(247.5)	329.2	(404.4)	(995.3)
Total	132.6	134.9	206.9	364.7	151.3	2.5	(67.9)	(148.6)	(165.2)	839.1	(62.7)	(572.9)
Assets under management												
General fund	1,241.3	1,213.2	1,220.1	1,208.8	1,186.1	1,179.8	1,124.2	1,085.6	1,089.0	1,241.3	1,186.1	1,089.0
Segregated funds	14,466.2	13,963.2	13,819.7	13,746.2	13,347.7	13,126.3	12,706.3	12,398.3	12,292.2	14,466.2	13,347.7	12,292.2
Mutual funds	11,723.2	11,446.0	11,356.9	11,314.3	10,937.5	10,518.1	10,214.1	10,144.2	10,428.3	11,723.2	10,937.5	10,428.3
Other	4,345.9	4,131.9	4,062.4	4,071.9	3,998.3	3,878.4	3,969.4	3,707.6	3,709.3	4,345.9	3,998.3	3,709.3
Total	31,776.6	30,754.3	30,459.1	30,341.2	29,469.6	28,702.6	28,014.0	27,335.7	27,518.8	31,776.6	29,469.6	27,518.8
Assets under administration ²												
Total	79,300.4	76,421.5	44,011.7	42,833.6	41,354.5	40,696.2	38,844.4	37,508.9	36,881.1	79,300.4	41,354.5	36,881.1
Total	111,077.0	107,175.8	74,470.8	73,174.8	70,824.1	69,398.8	66,858.4	64,844.6	64,399.9	111,077.0	70,824.1	64,399.9
Group Insurance												
Sales ¹												
Employee Plans	7.3	35.5	28.9	35.9	23.1	13.2	17.1	18.0	14.5	107.6	71.4	68.0
Dealer Services - Creditor Insurance ³	99.0	120.3	106.4	75.7	85.5	109.7	101.6	66.2	89.3	401.4	363.0	363.0
Dealer Services - P&C	49.0	66.1	71.8	46.5	43.8	55.6	58.0	39.5	49.1	233.4	196.9	197.7
Special Markets Solutions	79.1	54.1	43.5	54.5	59.8	42.9	40.6	50.8	59.1	231.2	194.1	190.3
Total sales	234.4	276.0	250.6	212.6	212.2	221.4	217.3	174.5	212.0	973.6	825.4	819.0

¹ Non-IFRS measures. See glossary at the end of this document for definitions.

² Includes assets related to affiliated dealers.

³ Includes all creditor insurance business sold by the Company.

BUSINESS GROWTH (continued)

(In millions of dollars, unless otherwise indicated)	2017				2016				2015	2017	2016	2015
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Annual	Annual	Annual
Group Insurance (continued)												
Net premiums and premium equivalents												
Employee Plans	238.3	225.8	223.8	223.4	215.2	212.8	210.8	210.3	207.1	911.3	849.1	818.4
Dealer Services - Creditor Insurance	66.3	84.6	71.5	41.9	51.3	67.6	72.6	41.7	62.4	264.3	233.2	252.5
Dealer Services - P&C	36.5	30.5	28.4	24.6	26.4	22.4	24.1	21.9	26.3	120.0	94.8	80.5
Special Markets Solutions	75.4	50.4	39.7	50.9	56.3	39.0	37.1	47.6	55.6	216.4	180.0	176.9
Total net premiums	416.5	391.3	363.4	340.8	349.2	341.8	344.6	321.5	351.4	1,512.0	1,357.1	1,328.3
Premium equivalents and deposits												
Administrative services only contracts (ASO)	13.9	13.0	13.4	13.6	10.8	10.3	11.2	12.7	10.6	53.9	45.0	42.8
Investment contracts	15.5	14.9	11.0	18.6	19.6	17.9	19.0	17.8	16.8	60.0	74.3	71.2
Total	445.9	419.2	387.8	373.0	379.6	370.0	374.8	352.0	378.8	1,625.9	1,476.4	1,442.3
Car loans ¹												
Dealer Services - Loan originations ²	62.2	64.9	65.6	85.9	93.9	100.6	115.8	80.8	58.2	278.6	391.1	58.2
Dealer Services - Finance receivables ²	568.1	562.3	553.3	545.2	505.0	467.4	416.7	343.5	291.6	568.1	505.0	291.6
Group Savings and Retirement												
Sales²												
Accumulation contracts												
General fund	8.3	10.2	19.1	10.6	9.6	11.3	9.6	14.1	10.0	48.2	44.6	37.9
Segregated funds	264.6	287.4	352.4	415.3	339.4	409.0	291.2	250.7	365.0	1,319.7	1,290.3	1,076.9
Total	272.9	297.6	371.5	425.9	349.0	420.3	300.8	264.8	375.0	1,367.9	1,334.9	1,114.8
Insured annuities (general fund)	45.9	1.6	42.8	31.9	5.5	0.3	20.1	59.2	91.3	122.2	85.1	112.6
Deposits	15.9	10.0	11.7	17.4	12.7	34.5	4.3	9.9	10.7	55.0	61.4	88.8
Total sales	334.7	309.2	426.0	475.2	367.2	455.1	325.2	333.9	477.0	1,545.1	1,481.4	1,316.2
Net premiums and deposits												
Net premiums	312.4	292.7	407.7	451.1	347.9	413.8	314.0	317.9	460.7	1,463.9	1,393.6	1,204.5
Deposits	15.9	10.0	11.7	17.4	12.7	34.5	4.3	9.9	10.7	55.0	61.4	88.8
Total	328.3	302.7	419.4	468.5	360.6	448.3	318.3	327.8	471.4	1,518.9	1,455.0	1,293.3
Assets under management												
Accumulation contracts												
General fund	220.2	233.1	231.2	234.5	237.7	242.6	235.8	233.0	229.5	220.2	237.7	229.5
Segregated funds	9,650.8	9,243.9	9,122.3	8,917.9	8,478.1	8,385.0	7,928.6	7,609.2	7,484.5	9,650.8	8,478.1	7,484.5
Other	836.9	825.1	825.3	823.9	801.9	841.7	816.7	834.8	830.5	836.9	801.9	830.5
Total	10,707.9	10,302.1	10,178.8	9,976.3	9,517.7	9,469.3	8,981.1	8,677.0	8,544.5	10,707.9	9,517.7	8,544.5
Insured annuities (general fund)	3,246.6	3,183.4	3,276.5	3,217.0	3,196.0	3,325.2	3,326.9	3,274.5	3,213.0	3,246.6	3,196.0	3,213.0
Total	13,954.5	13,485.5	13,455.3	13,193.3	12,713.7	12,794.5	12,308.0	11,951.5	11,757.5	13,954.5	12,713.7	11,757.5

¹ Includes all car loans. Data begins on October 2, 2015, with the acquisition of CTL Corp. (now iA Auto Finance Inc.).

² Non-IFRS measures. See glossary at the end of this document for definitions.

BUSINESS GROWTH (continued)

(In millions of dollars, unless otherwise indicated)	2017				2016				2015	2017	2016	2015
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Annual	Annual	Annual
General Insurance												
Sales ¹												
iAAH (Auto & Home)	64.2	82.5	102.7	59.4	59.4	74.9	91.6	52.7	52.2	308.8	278.6	247.3
Net premiums, premium equivalents and deposits by line of business												
Individual Insurance	470.3	435.9	447.4	433.7	453.8	407.9	413.2	411.2	410.8	1,787.3	1,686.1	1,578.5
Individual Wealth Management	1,097.8	954.3	1,091.1	1,432.3	991.8	791.0	753.8	797.9	692.2	4,575.5	3,334.5	3,140.1
Group Insurance	445.9	419.2	387.8	373.0	379.6	370.0	374.8	352.0	378.8	1,625.9	1,476.4	1,442.3
Group Savings and Retirement	328.3	302.7	419.4	468.5	360.6	448.3	318.3	327.8	471.4	1,518.9	1,455.0	1,293.3
General Insurance ²	72.8	72.1	68.9	66.7	66.6	63.2	61.0	59.7	51.5	280.5	250.5	218.1
Total	2,415.1	2,184.2	2,414.6	2,774.2	2,252.4	2,080.4	1,921.1	1,948.6	2,004.7	9,788.1	8,202.5	7,672.3
Distribution of net premiums, premium equivalents and deposits by region												
Atlantic provinces	4.1%	4.3%	4.2%	3.6%	4.1%	3.5%	4.2%	4.7%	6.8%	4.0%	4.1%	4.7%
Quebec	36.2%	38.2%	40.0%	39.0%	38.6%	43.0%	42.8%	46.3%	39.0%	38.4%	42.5%	42.0%
Ontario	29.2%	29.1%	27.2%	30.1%	30.1%	26.1%	28.0%	27.0%	27.1%	29.0%	27.9%	26.4%
Western provinces	27.2%	24.9%	25.2%	24.6%	23.9%	24.1%	21.5%	18.4%	23.9%	25.4%	22.1%	23.9%
Outside Canada	3.3%	3.5%	3.4%	2.7%	3.3%	3.3%	3.5%	3.6%	3.2%	3.2%	3.4%	3.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Assets under management and administration												
Assets under management												
General fund	37,789.4	37,146.2	37,001.8	36,329.6	35,223.8	37,109.5	35,971.9	34,375.0	33,161.4	37,789.4	35,223.8	33,161.4
Segregated funds	24,117.0	23,207.1	22,942.0	22,664.1	21,825.8	21,511.3	20,634.9	20,007.5	19,776.7	24,117.0	21,825.8	19,776.7
Mutual funds	11,723.2	11,446.0	11,356.9	11,314.3	10,937.5	10,518.1	10,214.1	10,144.2	10,428.3	11,723.2	10,937.5	10,428.3
Other ³	15,123.1	15,114.7	16,856.1	17,006.3	16,859.9	16,365.1	16,172.0	15,613.2	15,526.1	15,123.1	16,859.9	15,526.1
Total	88,752.7	86,914.0	88,156.8	87,314.3	84,847.0	85,504.0	82,992.9	80,139.9	78,892.5	88,752.7	84,847.0	78,892.5
Assets under administration												
	80,787.1	77,899.5	44,047.0	42,870.3	41,387.2	40,734.3	38,884.1	37,547.2	36,920.8	80,787.1	41,387.2	36,920.8
Total	169,539.8	164,813.5	132,203.8	130,184.6	126,234.2	126,238.3	121,877.0	117,687.1	115,813.3	169,539.8	126,234.2	115,813.3
Human resources												
Number of employees	6,115	6,009	5,775	5,563	5,350	5,339	5,321	5,282	5,148	6,115	5,350	5,148
Number of Career representatives	2,270	2,203	2,229	2,223	2,157	2,014	2,038	1,952	2,023	2,270	2,157	2,023

¹ Non-IFRS measures. See glossary at the end of this document for definitions.

² Includes iAAuto and Home premiums, other activities that have no link with key segments and some minor consolidation adjustments.

³ Mainly assets managed for third parties.

INVESTED ASSETS

<i>(In millions of dollars, unless otherwise indicated)</i>	2017				2016				2015
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Value and distribution of investments									
Book value of investment portfolio	33,821.9	32,368.5	32,656.4	31,593.2	31,090.9	32,491.3	31,435.4	29,738.3	28,949.6
Distribution of investments by financial instrument category									
Available for sale	12.0%	12.2%	12.4%	13.3%	13.4%	12.8%	11.7%	12.5%	12.6%
Fair value through profit or loss (FVTPL)	63.1%	62.3%	62.7%	61.2%	60.7%	62.5%	63.1%	61.6%	61.0%
Loans and receivables	20.0%	20.8%	20.3%	20.8%	21.0%	20.1%	20.4%	21.1%	21.5%
Investment properties	4.0%	3.8%	3.8%	3.9%	4.0%	3.8%	4.0%	4.1%	4.2%
Other	0.9%	0.9%	0.8%	0.8%	0.9%	0.8%	0.8%	0.7%	0.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Distribution of investments by asset category									
Bonds	67.8%	67.7%	68.5%	68.5%	67.9%	67.1%	66.9%	66.4%	66.7%
Stocks	10.3%	10.1%	10.0%	9.9%	9.9%	9.5%	9.4%	9.6%	10.1%
Mortgages and other loans	9.7%	10.1%	10.0%	10.5%	10.6%	10.1%	10.5%	10.9%	10.9%
Investment properties	4.0%	3.8%	3.8%	3.9%	4.0%	3.8%	4.0%	4.1%	4.2%
Policy loans	2.8%	2.9%	2.9%	3.0%	3.0%	2.8%	2.9%	3.0%	2.9%
Cash and short-term investments	3.4%	3.8%	3.0%	2.6%	2.9%	3.9%	3.1%	3.0%	3.3%
Other ¹	2.0%	1.6%	1.8%	1.6%	1.7%	2.8%	3.2%	3.0%	1.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Distribution of investments by region									
Atlantic provinces	3.2%	3.4%	3.4%	3.5%	3.5%	3.9%	3.8%	3.9%	4.0%
Quebec	29.7%	30.5%	31.4%	32.5%	33.4%	34.2%	33.6%	33.6%	33.7%
Ontario	31.8%	31.7%	31.3%	29.5%	28.8%	28.3%	29.7%	29.6%	29.1%
Western provinces	18.4%	18.0%	17.5%	18.6%	17.6%	17.3%	16.6%	16.7%	16.3%
Outside Canada	16.9%	16.4%	16.4%	15.9%	16.7%	16.4%	16.3%	16.2%	16.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.1%	100.0%	100.0%	100.0%
Impaired investments and provisions									
Gross impaired investments (excluding insured loans)	30.9	31.1	31.5	31.6	29.0	17.8	17.5	17.5	19.7
Provisions for impaired investments (specific)	7.5	5.6	5.6	5.7	5.6	5.1	4.8	4.8	5.5
As a % of gross impaired investments	24.3%	18.0%	17.8%	18.0%	19.3%	28.7%	27.4%	27.4%	27.9%
Net impaired investments (excluding insured loans)									
Bonds	15.1	16.8	16.8	16.9	16.9	6.0	6.0	6.0	6.0
Mortgages and other loans	8.3	8.7	9.1	9.0	6.5	6.7	6.7	6.7	8.2
Total	23.4	25.5	25.9	25.9	23.4	12.7	12.7	12.7	14.2
Net impaired investments as a % of investment portfolio	0.07%	0.08%	0.08%	0.08%	0.08%	0.04%	0.04%	0.04%	0.05%
Provisions for losses (collective and specific)									
At beginning of period	11.8	10.7	10.9	10.1	8.8	8.5	5.8	6.6	5.3
Increase for the period	7.4	5.4	4.2	5.3	6.5	4.0	6.4	3.0	3.7
Decrease for the period	(5.3)	(4.3)	(4.4)	(4.5)	(5.2)	(3.7)	(3.7)	(3.8)	(2.4)
At end of period	13.9	11.8	10.7	10.9	10.1	8.8	8.5	5.8	6.6
Provisions for losses by type of investment (collective and specific)									
Bonds	5.7	4.1	4.1	4.1	4.1	3.5	3.5	3.5	3.5
Mortgages	1.8	1.5	1.5	1.5	1.5	1.2	1.2	1.2	1.6
Car loans	6.4	6.2	5.1	5.3	4.5	4.1	3.8	1.1	1.5
Total	13.9	11.8	10.7	10.9	10.1	8.8	8.5	5.8	6.6
Other quality measure									
Car loans - Average credit loss rate (trailing 12 months) ²	3.2%	3.1%	3.2%	3.3%	3.5%	3.5%	—	—	—

¹ In 2017, one item in "Other invested assets" was reclassified under "Other assets" on the balance sheet. This change is reflected back through 2015.

² Non-IFRS measure. Represents total credit losses (prime and non-prime) for the prior 12 months divided by the average finance receivables over the same period. Data first presented in Q3-2016 as CTL Corp. (now iA Auto Finance Inc.) was acquired on October 2, 2015.

INVESTED ASSETS (continued)									
(In millions of dollars, unless otherwise indicated)	2017				2016				2015
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Real estate acquired to settle loans									
Real estate held for resale	10.2	10.1	10.5	10.8	10.9	10.6	10.5	10.5	11.2
Bonds									
Book value of the bond portfolio	22,944.1	21,935.5	22,338.0	21,604.9	21,086.8	21,833.8	21,039.6	19,724.6	19,278.1
Distribution by financial instrument category									
Available for sale	15.8%	16.1%	16.5%	17.6%	18.1%	17.5%	16.1%	17.1%	17.2%
Fair value through profit or loss (FVTPL)	75.3%	74.6%	74.6%	73.2%	72.5%	73.3%	74.6%	73.3%	72.7%
Loans and receivables	8.9%	9.3%	8.9%	9.2%	9.4%	9.2%	9.3%	9.6%	10.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Distribution by credit rating									
Rating - AAA	4.85%	4.41%	4.83%	3.94%	5.08%	3.77%	3.34%	4.84%	3.78%
Rating - AA	34.19%	33.76%	32.44%	31.05%	29.35%	28.55%	30.74%	29.94%	29.65%
Rating - A	43.63%	43.73%	44.39%	46.97%	47.85%	49.61%	48.83%	48.40%	49.21%
Rating - BBB	16.34%	17.25%	17.68%	17.36%	16.96%	17.41%	16.40%	16.17%	16.70%
Rating - BB and lower	0.99%	0.85%	0.66%	0.68%	0.76%	0.66%	0.69%	0.65%	0.66%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Distribution by category of issuer									
Governments	52.0%	50.7%	50.5%	51.2%	51.4%	51.3%	52.0%	51.3%	50.0%
Municipalities	5.0%	4.9%	4.7%	4.5%	4.4%	4.8%	5.0%	5.1%	5.2%
Corporates - Public issues	26.1%	26.7%	27.4%	27.1%	26.2%	26.0%	25.1%	25.1%	25.9%
Corporates - Private issues	16.9%	17.7%	17.4%	17.2%	18.0%	17.9%	17.9%	18.5%	18.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mortgages and other loans									
Book value of mortgage and other loans portfolio	3,288.1	3,255.2	3,277.3	3,311.5	3,292.3	3,265.7	3,286.2	3,253.6	3,169.3
Book value of mortgages	2,718.5	2,690.3	2,718.9	2,761.6	2,776.5	2,795.0	2,867.0	2,907.4	2,877.2
Book value of other loans	569.6	564.9	558.4	549.9	515.8	470.7	419.2	346.2	292.1
Distribution by financial instrument category									
Held for trading	1.9%	1.9%	1.7%	1.6%	1.7%	1.7%	1.9%	1.7%	1.0%
Loans and receivables	98.1%	98.1%	98.3%	98.4%	98.3%	98.3%	98.1%	98.3%	99.0%
Total mortgages and other loans	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Distribution by type of mortgage									
Residential	35.5%	35.7%	34.8%	33.0%	32.2%	31.1%	30.5%	29.4%	29.4%
Multi-residential	56.7%	56.0%	56.5%	55.7%	56.1%	56.7%	56.8%	57.5%	56.7%
Non-residential	7.8%	8.3%	8.7%	11.3%	11.7%	12.2%	12.7%	13.1%	13.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Distribution by type of mortgage									
Insured	78.1%	78.1%	78.7%	77.3%	77.1%	76.5%	75.7%	75.2%	76.0%
Conventional	21.9%	21.9%	21.3%	22.7%	22.9%	23.5%	24.3%	24.8%	24.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

INVESTED ASSETS (continued)									
(In millions of dollars, unless otherwise indicated)	2017				2016				2015
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Mortgages									
Other quality measures									
Delinquency rate ¹									
Insured loans	0.13%	0.13%	0.14%	0.15%	0.02%	0.03%	0.02%	0.03%	0.05%
Conventional loans	1.10%	1.10%	1.24%	1.10%	1.10%	1.04%	1.03%	1.00%	1.07%
Total	0.34%	0.34%	0.37%	0.37%	0.27%	0.27%	0.26%	0.27%	0.29%
Delinquency rate, including real estate acquired to settle loans	0.71%	0.72%	0.76%	0.76%	0.66%	0.65%	0.63%	0.63%	0.68%
Stocks									
Book value of the stock portfolio	3,467.0	3,271.0	3,278.5	3,139.9	3,083.0	3,072.6	2,959.4	2,866.5	2,924.1
Distribution by financial instrument category									
Available for sale	12.8%	12.4%	11.7%	13.1%	11.8%	10.4%	10.2%	11.4%	10.8%
Fair value through profit or loss (FVTPL)	87.2%	87.6%	88.3%	86.9%	88.2%	89.6%	89.8%	88.6%	89.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Distribution by category									
Common	53.7%	52.5%	52.0%	51.9%	52.3%	53.2%	53.5%	54.1%	52.9%
Preferred	18.3%	19.3%	18.7%	20.0%	19.7%	17.7%	17.8%	19.8%	19.9%
Market indices	14.3%	14.0%	15.2%	13.5%	13.7%	14.9%	14.5%	11.9%	13.0%
Investment fund units and other	13.7%	14.2%	14.1%	14.6%	14.3%	14.2%	14.2%	14.2%	14.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Distribution by use of stocks									
Backing long-term liabilities	57.2%	56.3%	56.9%	53.3%	54.4%	56.1%	56.1%	54.4%	55.5%
Backing UL accounts	25.8%	26.7%	26.4%	27.5%	27.7%	27.4%	27.5%	27.3%	26.9%
Backing capital	17.0%	17.0%	16.7%	19.2%	17.9%	16.5%	16.4%	18.3%	17.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Real estate									
Investment properties	1,340.8	1,228.2	1,249.8	1,236.0	1,237.8	1,250.4	1,252.8	1,211.8	1,215.9
Linearization of rents	13.0	11.6	11.1	10.7	10.1	10.5	9.8	9.3	9.4
Fair value of investment properties	1,353.8	1,239.8	1,260.9	1,246.7	1,247.9	1,260.9	1,262.6	1,221.1	1,225.3
Occupancy rate on investment properties	93.0%	89.0%	92.0%	89.5%	90.2%	89.4%	89.4%	89.6%	90.1%
Other									
Provision for potential loss on fixed-income securities contained in the policy liabilities	335.7	323.3	361.0	327.4	326.6	324.0	340.3	298.8	292.1

¹ The delinquency rate is calculated by dividing mortgages in default by the value of the portfolio.

SOLVENCY AND CAPITALIZATION

<i>(In millions of dollars, unless otherwise indicated)</i>	2017				2016				2015
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Capital structure									
Debentures	996.3	996.1	995.8	995.6	995.3	1,244.4	846.3	846.2	846.1
Participating policyholders' accounts	41.0	39.4	39.3	39.3	39.0	45.7	45.4	45.1	45.0
Equity									
Common shares	1,520.9	1,512.9	1,511.4	1,505.5	1,498.8	1,328.5	1,315.0	1,312.5	1,310.5
Preferred shares	375.0	375.0	375.0	375.0	375.0	375.0	375.0	375.0	375.0
Contributed surplus	19.5	19.7	18.7	18.5	18.5	21.1	22.6	22.0	21.4
Retained earnings	3,130.8	3,052.4	2,908.9	2,848.0	2,793.2	2,546.3	2,458.7	2,370.4	2,374.0
Accumulated other comprehensive income	48.9	27.4	62.0	81.4	40.1	79.1	61.9	34.8	58.1
Total shareholders' equity	5,095.1	4,987.4	4,876.0	4,828.4	4,725.6	4,350.0	4,233.2	4,114.7	4,139.0
Total capital structure	6,132.4	6,022.9	5,911.1	5,863.3	5,759.9	5,640.1	5,124.9	5,006.0	5,030.1
Debt measures									
Debentures/capital structure	16.2%	16.5%	16.8%	17.0%	17.3%	22.1%	16.5%	16.9%	16.8%
Debentures and preferred shares/capital structure	22.4%	22.8%	23.2%	23.4%	23.8%	28.7%	23.8%	24.4%	24.3%
Coverage ratio (in number of times) ¹	13.3	12.7	12.5	13.0	12.8	10.3	9.5	8.6	8.2
Credit ratings	Standard & Poor's				DBRS		A.M. Best		
Financial Strength	A+				A (high)		A+ (Superior)		
Debentures	A				A		a		
Preferred Shares	A-				Pfd-2 (high)		a-		

¹ Calculated by dividing earnings for the past twelve months (before interest and taxes) by the sum of interest, preferred share dividends and preferred share redemption premiums (if applicable)

SOLVENCY AND CAPITALIZATION (continued)

<i>(In millions of dollars, unless otherwise indicated)</i>	2017				2016				2015
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Solvency ratio¹									
Available capital									
Tier 1									
Common shares	1,520.9	1,512.9	1,511.4	1,505.5	1,498.8	1,328.5	1,315.0	1,312.5	1,310.5
Preferred shares	375.0	375.0	375.0	375.0	375.0	375.0	375.0	375.0	375.0
Innovative instruments in Tier 1 capital	—	—	—	—	—	—	—	—	—
Retained earnings	3,137.4	3,060.5	2,915.6	2,857.2	2,802.3	2,556.0	2,467.8	2,384.9	2,388.5
Other	(127.3)	62.3	65.1	80.4	64.0	35.9	25.3	15.7	40.3
Gross Tier 1 capital	4,906.0	5,010.7	4,867.1	4,818.1	4,740.1	4,295.4	4,183.1	4,088.1	4,114.3
Less:									
Goodwill and other intangible assets	1,157.8	1,147.3	867.6	847.6	841.9	818.5	843.1	829.8	827.7
Adjustment for intangible assets	(245.3)	(250.5)	(243.4)	(240.9)	(237.0)	(214.8)	(209.2)	(204.4)	(205.7)
Adjustment for negative reserves	107.4	8.1	—	—	—	—	—	—	—
Other	7.7	6.8	7.9	4.8	3.7	4.9	3.7	2.7	1.0
Net Tier 1 capital	3,878.4	4,099.0	4,235.0	4,206.6	4,131.5	3,686.8	3,545.5	3,460.0	3,491.3
Less: deductions and adjustments	123.7	113.3	83.6	79.8	77.0	78.8	76.5	68.9	64.5
Adjusted Net Tier 1 capital	3,754.7	3,985.7	4,151.4	4,126.8	4,054.5	3,608.0	3,469.0	3,391.1	3,426.8
Tier 2									
Limited life instruments allowed (subordinated debt) (Tier 2B)	996.3	996.1	995.8	995.6	995.3	1,244.4	846.3	846.2	846.1
Other (Tier 2A and Tier 2C)	281.5	144.4	151.3	113.4	84.3	193.2	173.7	157.9	89.0
Less: deductions	123.7	113.3	83.6	79.8	77.0	78.8	76.5	68.9	64.5
Total Tier 2 capital allowed	1,154.1	1,027.2	1,063.5	1,029.2	1,002.6	1,358.8	943.5	935.2	870.6
Total Tier 1 and Tier 2 capital	4,908.8	5,012.9	5,214.9	5,156.0	5,057.1	4,966.8	4,412.5	4,326.3	4,297.4
Less: deductions and adjustments (total of Tier 1 and Tier 2)	—	—	—	—	—	—	—	—	—
Total available capital	4,908.8	5,012.9	5,214.9	5,156.0	5,057.1	4,966.8	4,412.5	4,326.3	4,297.4
Required capital									
Asset default risk and market risk	1,194.3	1,178.4	1,176.0	1,170.0	1,124.6	1,094.9	1,068.2	1,019.3	950.8
Insurance risk	744.9	790.5	803.9	776.5	764.5	801.4	782.8	747.8	729.7
Interest rate risk	414.1	382.1	389.2	371.2	361.5	379.6	368.2	348.0	333.5
Total required capital	2,353.3	2,351.0	2,369.1	2,317.7	2,250.6	2,275.9	2,219.2	2,115.1	2,014.0
Solvency ratio	209%	213%	220%	222%	225%	218%	199%	205%	213%

¹ The solvency ratio has no IFRS equivalent. Items such as retained earnings and intangible assets are calculated in accordance with regulatory requirements. See glossary at the end of this document for definitions.

MACROECONOMIC SENSITIVITY¹

	2017				2016				2015
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Equity Market Sensitivity									
Reference index (S&P/TSX Index (in points))	16,209	15,635	15,182	15,548	15,288	14,726	14,065	13,494	13,010
Level of S&P/TSX before reserves require strengthening for future policy benefits (in points) ²	11,300	11,700	11,400	11,300	11,400	10,000	9,800	9,600	9,500
Variation	(30%)	(25%)	(25%)	(27%)	(25%)	(32%)	(30%)	(29%)	(27%)
Solvency ratio ¹	209%	213%	220%	222%	225%	218%	199%	205%	213%
Level of S&P/TSX at which solvency ratio would be 175% (in points) ²	8,600	8,400	7,800	7,700	7,400	7,300	8,600	8,200	7,900
Variation	(47%)	(46%)	(49%)	(50%)	(52%)	(50%)	(39%)	(39%)	(39%)
Level of S&P/TSX at which solvency ratio would be 150% (in points) ²	6,700	6,400	5,800	5,700	5,600	5,800	6,800	6,500	6,100
Variation	(59%)	(59%)	(62%)	(63%)	(63%)	(61%)	(52%)	(52%)	(53%)
Impact on net income attributed to common shareholders of a sudden 10% decrease in equity markets (in \$M) ³	(32)	(30)	(29)	(29)	(28)	(29)	(28)	(27)	(28)
Interest Rate Sensitivity									
Reference rate (Canada 30-year bond yield)	2.27%	2.52%	2.18%	2.35%	2.35%	1.67%	1.73%	2.02%	2.17%
Impact on net income attributed to common shareholders (in \$M)									
10 bps decrease in initial reinvestment rate (IRR)	(18)	(15)	(23)	(23)	(24)	(25)	(31)	(27)	(31)
10 bps decrease in ultimate reinvestment rate (URR)	(71)	(61)	(65)	(62)	(62)	(66)	(65)	(59)	(60)

¹ Non-IFRS measures. See glossary at the end of this document for definitions.

² Compared to actual levels of the index on the dates shown.

³ Impact on net income attributed to common shareholders on a full-year basis.

SHARE INFORMATION

(In millions of dollars, unless otherwise indicated)	2017				2016				2015	2017	2016	2015
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Annual	Annual	Annual
Common shares												
Share price												
High	\$61.73	\$58.37	\$58.68	\$59.41	\$58.05	\$48.38	\$43.30	\$43.83	\$46.05	\$61.73	\$58.05	\$46.05
Low	\$55.90	\$51.82	\$48.74	\$53.10	\$46.84	\$39.26	\$38.47	\$35.00	\$38.85	\$48.74	\$35.00	\$38.33
Close	\$59.82	\$56.50	\$56.26	\$57.63	\$53.39	\$47.23	\$40.61	\$39.20	\$44.13	\$59.82	\$53.39	\$44.13
Average share price	\$59.04	\$55.42	\$54.01	\$56.55	\$53.44	\$45.18	\$41.04	\$38.62	\$43.53	\$55.98	\$44.84	\$42.24
Number of common shares outstanding (in millions)												
At beginning of period	106.6	106.5	106.4	106.2	102.9	102.6	102.5	102.4	101.8	106.2	102.4	100.8
Common shares issued ¹	0.2	0.1	0.1	0.2	3.3	0.3	0.1	0.1	0.6	0.6	3.8	1.6
Common shares repurchased and cancelled	—	—	—	—	—	—	—	—	—	—	—	—
At end of period	106.8	106.6	106.5	106.4	106.2	102.9	102.6	102.5	102.4	106.8	106.2	102.4
Weighted average number of common shares (in millions)												
Basic	106.6	106.5	106.4	106.2	103.5	102.7	102.5	102.5	102.0	106.5	102.8	101.4
Diluted	107.5	107.3	107.2	107.2	104.5	103.3	103.0	102.9	102.6	107.3	103.4	102.0
Dividends												
Common dividends paid	40.6	37.3	37.2	37.2	33.0	32.8	32.8	30.8	30.6	152.3	129.4	117.6
Dividend paid per common share in the period	\$0.38	\$0.35	\$0.35	\$0.35	\$0.32	\$0.32	\$0.32	\$0.30	\$0.30	\$1.43	\$1.26	\$1.16
Dividend payout ratio ²	30%	26%	29%	34%	21%	23%	24%	31%	NM	30%	24%	32%
Dividend yield (annualized) ³	2.5%	2.5%	2.5%	2.4%	2.4%	2.7%	3.2%	3.1%	2.7%	2.4%	2.4%	2.6%
Stock options												
Number of stock options outstanding (in millions)												
At beginning of period	2.9	3.0	3.1	2.8	3.3	3.6	3.7	3.3	3.7	2.8	3.3	3.4
Options granted	—	—	—	0.5	—	—	—	0.5	—	0.5	0.5	0.5
Options exercised, cancelled or expired	(0.2)	(0.1)	(0.1)	(0.2)	(0.5)	(0.3)	(0.1)	(0.1)	(0.4)	(0.6)	(1.0)	(0.6)
At end of period	2.7	2.9	3.0	3.1	2.8	3.3	3.6	3.7	3.3	2.7	2.8	3.3

NM: not meaningful

¹ Includes options exercised under the stock option plan, shares purchased under the dividend reinvestment and share purchase plan (DRIP) until March 2016 and 2,750,000 common shares issued in December 2016. Beginning with the dividend paid on March 15, 2016, common shares issued under the Company's DRIP are purchased on the secondary market and no discount is applicable.

² Dividend payout ratio: dividend per common share paid in the period divided by the basic earnings per common share in the period.

³ Dividend yield: annualized dividend per common share paid in the period divided by the closing price of the common share at the end of the period.

SHARE INFORMATION (continued)

	2017				2016				2015	2017	2016	2015
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Annual	Annual	Annual
<i>(In millions of dollars, unless otherwise indicated)</i>												
Valuation												
Price-to-earnings multiple (trailing 12 months) ¹ (in number of times)	12.5	11.3	11.2	11.3	10.3	12.6	11.8	11.3	12.4	12.5	10.3	12.4
Market capitalization	6,386.2	6,020.3	5,992.8	6,129.4	5,670.3	4,860.5	4,166.1	4,018.8	4,520.5	6,386.2	5,670.3	4,520.5
Book value per outstanding common share	\$44.20	\$43.27	\$42.26	\$41.86	\$40.97	\$38.63	\$37.60	\$36.48	\$36.76	\$44.20	\$40.97	\$36.76
Market value to book value ratio (in number of times)	1.4	1.3	1.3	1.4	1.3	1.2	1.1	1.1	1.2	1.4	1.3	1.2
Total payout ratio (trailing 12 months) ²	30%	27%	26%	25%	24%	33%	35%	34%	32%	30%	24%	32%
Capital yield (trailing 12 months) ³	2.4%	2.4%	2.3%	2.2%	2.3%	2.6%	3.0%	3.0%	2.6%	2.4%	2.3%	2.6%
Total return on common shares (trailing 12 months) ⁴	14.7%	22.5%	41.8%	50.4%	23.8%	21.7%	(0.4%)	(4.7%)	2.0%	14.7%	23.8%	2.0%
Preferred shares												
Number of preferred shares outstanding (in thousands)												
Series B	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Series F	—	—	—	—	—	—	—	—	—	—	—	—
Series G	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Value of preferred shares												
Series B	125	125	125	125	125	125	125	125	125	125	125	125
Series F	—	—	—	—	—	—	—	—	—	—	—	—
Series G	250	250	250	250	250	250	250	250	250	250	250	250
Dividends paid per preferred share												
Series B	\$0.2875	\$0.2875	\$0.2875	\$0.2875	\$0.2875	\$0.2875	\$0.2875	\$0.2875	\$0.2875	\$1.1500	\$1.1500	\$1.1500
Series F	—	—	—	—	—	—	—	—	—	—	—	\$0.36875
Series G	\$0.2360625	\$0.2360625	\$0.26875	\$0.26875	\$0.26875	\$0.26875	\$0.26875	\$0.26875	\$0.26875	\$1.0096250	\$1.07500	\$1.07500

¹ Price-to-earnings multiple: closing price of the common share at the end of the period divided by the diluted earnings per common share for the last twelve months.

² Total payout ratio: sum of common dividends paid and common shares repurchased (buybacks) over the last twelve months divided by the net income available to common shareholders over the last twelve months.

³ Capital yield: sum of common dividends paid and common shares repurchased (buybacks) over the last twelve months divided by the market capitalization at the end of the period.

⁴ Total return on common shares: sum of the dividend per common share paid over the last twelve months and the common share appreciation or depreciation over the same period divided by the closing price of the common share at the end of the period preceding the last twelve months.

CONSOLIDATED INCOME STATEMENTS
INCOME STATEMENTS

	2017				2016				2015	2017	2016	2015
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Annual	Annual	Annual
<i>(In millions of dollars, unless otherwise indicated)</i>												
Revenues												
Net premiums	1,810.1	1,684.5	1,818.4	1,940.8	1,673.9	1,680.8	1,569.9	1,622.9	1,670.5	7,253.8	6,547.5	6,041.0
Investment income												
Investment income	340.1	287.9	292.3	300.2	314.4	291.9	271.8	257.0	299.5	1,220.5	1,135.1	1,083.7
Variation in the market value of investment properties	(28.0)	(0.8)	(1.7)	(9.2)	(9.4)	(7.9)	(1.5)	(4.5)	(9.7)	(39.7)	(23.3)	13.4
Realized gains (losses) on assets available for sale	0.4	(3.7)	6.4	(2.0)	(4.7)	(3.9)	(0.1)	6.5	(0.7)	1.1	(2.2)	17.1
Change in fair value of financial assets designated at FVTPL	1,145.8	(711.1)	671.3	314.4	(1,594.5)	486.0	991.8	618.1	125.6	1,420.4	501.4	(74.6)
Change in provisions for losses	(7.3)	(5.3)	(3.8)	(5.0)	(5.0)	(3.9)	(6.5)	(2.4)	(2.1)	(21.4)	(17.8)	(3.8)
Total	1,451.0	(433.0)	964.5	598.4	(1,299.2)	762.2	1,255.5	874.7	412.6	2,580.9	1,593.2	1,035.8
Other revenues	419.1	371.3	333.2	317.8	309.4	302.6	305.9	288.3	289.9	1,441.4	1,206.2	1,158.4
Total	3,680.2	1,622.8	3,116.1	2,857.0	684.1	2,745.6	3,131.3	2,785.9	2,373.0	11,276.1	9,346.9	8,235.2
Policy benefits and expenses												
Net benefits and claims on contracts	1,134.2	1,064.4	1,113.3	1,188.6	1,130.7	1,047.3	990.1	1,018.4	948.2	4,500.5	4,186.5	3,933.7
Net transfer to segregated funds	168.0	192.5	279.4	380.8	88.9	240.0	183.5	231.4	274.0	1,020.7	743.8	741.1
Increase (decrease) in insurance contract liabilities	873.2	(577.7)	937.7	492.8	(1,620.0)	642.9	1,212.5	863.7	273.5	1,726.0	1,099.1	514.1
Increase (decrease) in investment contract liabilities	7.9	(4.9)	4.6	6.4	(11.4)	6.3	12.0	5.1	7.0	14.0	12.0	21.4
Decrease (increase) in reinsurance assets	553.6	70.7	(40.0)	(4.5)	240.4	14.5	(77.7)	(55.0)	252.5	579.8	122.2	265.9
Commissions	417.7	367.3	336.2	327.5	351.3	316.6	318.1	296.1	315.1	1,448.7	1,282.1	1,196.6
General expenses	300.0	272.1	274.4	274.9	272.5	241.0	251.6	252.9	265.5	1,121.4	1,018.0	972.7
Premium and other taxes	31.1	28.4	29.9	28.7	28.8	27.5	29.4	26.5	27.9	118.1	112.2	106.2
Financing charges	16.4	15.5	15.8	16.3	19.9	18.9	20.3	17.8	17.2	64.0	76.9	62.2
Total	3,502.1	1,428.3	2,951.3	2,711.5	501.1	2,555.0	2,939.8	2,656.9	2,380.9	10,593.2	8,652.8	7,813.9
Income before income taxes	178.1	194.5	164.8	145.5	183.0	190.6	191.5	129.0	(7.9)	682.9	694.1	421.3
Income taxes	39.9	45.7	33.1	30.8	30.5	41.8	47.5	26.6	(10.9)	149.5	146.4	39.3
Net income	138.2	148.8	131.7	114.7	152.5	148.8	144.0	102.4	3.0	533.4	547.7	382.0
Net income attributed to participating policyholders	1.6	0.1	—	0.3	(6.7)	0.3	0.4	—	(5.3)	2.0	(6.0)	(4.4)
Net income attributed to shareholders	136.6	148.7	131.7	114.4	159.2	148.5	143.6	102.4	8.3	531.4	553.7	386.4
Dividends attributed to preferred shares	3.8	3.8	4.2	4.1	4.2	4.1	4.1	4.1	4.1	15.9	16.5	18.0
Redemption premium on preferred shares	—	—	—	—	—	—	—	—	—	—	—	4.0
Net income attributed to common shareholders	132.8	144.9	127.5	110.3	155.0	144.4	139.5	98.3	4.2	515.5	537.2	364.4

CONSOLIDATED COMPREHENSIVE INCOME STATEMENTS
COMPREHENSIVE INCOME

	2017				2016				2015	2017	2016	2015
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Annual	Annual	Annual
<i>(In millions of dollars, unless otherwise indicated)</i>												
Comprehensive income statements												
Net income	138.2	148.8	131.7	114.7	152.5	148.8	144.0	102.4	3.0	533.4	547.7	382.0
Other comprehensive income (loss), net of income taxes												
Items that will be reclassified subsequently to net income												
Available for sale												
Unrealized gains (losses) arising during the period												
Bonds	13.6	(35.4)	(1.4)	22.9	(56.1)	6.9	27.4	11.5	6.9	(0.3)	(10.3)	20.8
Stocks	4.5	3.1	(2.4)	18.2	10.3	6.4	1.7	(13.0)	10.9	23.4	5.4	(46.1)
Reclassification of losses (gains) included in the net income												
Bonds	(0.1)	2.2	(5.1)	1.2	2.6	(0.5)	—	(5.1)	—	(1.8)	(3.0)	(25.7)
Stocks	(0.5)	0.1	0.9	0.2	0.8	3.4	0.1	0.3	0.2	0.7	4.6	13.2
Change in unrealized gains (losses) on available for sale financial assets	17.5	(30.0)	(8.0)	42.5	(42.4)	16.2	29.2	(6.3)	18.0	22.0	(3.3)	(37.8)
Cash-flow hedge	3.3	(2.0)	0.6	—	—	0.3	(0.4)	—	—	1.9	(0.1)	—
Currency translation account												
Unrealized gains (losses) on currency translation in foreign operations	0.6	(23.5)	(17.5)	(4.0)	13.6	4.6	1.9	(34.0)	17.7	(44.4)	(13.9)	70.4
Hedges of net investment in foreign operations	0.1	20.9	5.5	2.8	(10.2)	(3.9)	(3.6)	17.0	(8.5)	29.3	(0.7)	(38.1)
Items that will not be reclassified subsequently to net income												
Remeasurement of post-employment benefits	(14.0)	36.1	(28.7)	(21.5)	124.2	(23.5)	(18.6)	(70.2)	29.2	(28.1)	11.9	47.0
Total other comprehensive income (loss)	7.5	1.5	(48.1)	19.8	85.2	(6.3)	8.5	(93.5)	56.4	(19.3)	(6.1)	41.5
Comprehensive income	145.7	150.3	83.6	134.5	237.7	142.5	152.5	8.9	59.4	514.1	541.6	423.5
Comprehensive income attributed to shareholders	144.1	150.2	83.6	134.2	244.4	142.2	152.1	8.9	64.7	512.1	547.6	427.9
Comprehensive income attributed to participating policyholders	1.6	0.1	—	0.3	(6.7)	0.3	0.4	—	(5.3)	2.0	(6.0)	(4.4)

DETAIL OF ACCUMULATED OTHER COMPREHENSIVE INCOME

	2017				2016				2015	2017	2016	2015
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Annual	Annual	Annual
<i>(In millions of dollars, unless otherwise indicated)</i>												
Accumulated other comprehensive income (loss)												
Balance at beginning of period	27.4	62.0	81.4	40.1	79.1	61.9	34.8	58.1	30.9	40.1	58.1	63.6
Transfer of post-employment benefits to retained earnings	14.0	(36.1)	28.7	21.5	(124.2)	23.5	18.6	70.2	(29.2)	28.1	(11.9)	(47.0)
Total other comprehensive income	7.5	1.5	(48.1)	19.8	85.2	(6.3)	8.5	(93.5)	56.4	(19.3)	(6.1)	41.5
Balance at end of period	48.9	27.4	62.0	81.4	40.1	79.1	61.9	34.8	58.1	48.9	40.1	58.1
Sources of accumulated other comprehensive income (loss)												
Bonds	27.7	14.2	47.4	53.9	29.8	83.3	76.9	49.5	43.1	27.7	29.8	43.1
Stocks	7.0	3.0	(0.2)	1.3	(17.1)	(28.2)	(38.0)	(39.8)	(27.1)	7.0	(17.1)	(27.1)
Cash-flow hedge	1.8	(1.5)	0.5	(0.1)	(0.1)	(0.1)	(0.4)	—	—	1.8	(0.1)	—
Currency translation account	12.4	11.7	14.3	26.3	27.5	24.1	23.4	25.1	42.1	12.4	27.5	42.1
Total	48.9	27.4	62.0	81.4	40.1	79.1	61.9	34.8	58.1	48.9	40.1	58.1

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
FINANCIAL POSITION

	2017				2016				2015
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
<i>(In millions of dollars, unless otherwise indicated)</i>									
Assets									
Invested assets									
Cash and short-term investments	1,140.7	1,236.7	965.0	825.0	911.9	1,252.5	969.9	889.5	969.0
Bonds	22,944.1	21,935.5	22,338.0	21,604.9	21,086.8	21,833.8	21,039.6	19,724.6	19,278.1
Stocks	3,467.0	3,271.0	3,278.5	3,139.9	3,083.0	3,072.6	2,959.4	2,866.5	2,924.1
Mortgages and other loans	3,288.1	3,255.2	3,277.3	3,311.5	3,292.3	3,265.7	3,286.2	3,253.6	3,169.3
Derivative financial instruments	395.0	233.3	308.8	248.5	262.5	649.4	766.8	679.7	331.9
Policy loans	946.2	926.0	961.3	954.4	945.9	910.1	908.4	890.7	840.9
Other invested assets ¹	300.0	282.6	277.7	273.0	270.7	256.8	252.3	221.9	220.4
Investment properties	1,340.8	1,228.2	1,249.8	1,236.0	1,237.8	1,250.4	1,252.8	1,211.8	1,215.9
Total investments	33,821.9	32,368.5	32,656.4	31,593.2	31,090.9	32,491.3	31,435.4	29,738.3	28,949.6
Other assets¹	1,903.0	2,173.9	1,940.5	2,408.1	1,818.5	2,112.3	2,005.6	2,181.1	1,766.4
Reinsurance assets	481.5	1,037.0	1,137.7	1,121.3	1,121.9	1,340.6	1,345.6	1,266.0	1,279.8
Fixed assets	256.5	253.9	241.3	202.0	194.7	185.2	179.3	177.5	177.9
Deferred income tax assets	21.9	22.1	27.8	26.6	25.7	30.5	31.5	50.7	30.8
Intangible assets	827.1	798.0	681.2	665.3	659.4	643.4	636.7	626.2	622.9
Goodwill	477.5	492.8	316.9	313.1	312.7	306.2	337.8	335.2	334.0
General fund assets	37,789.4	37,146.2	37,001.8	36,329.6	35,223.8	37,109.5	35,971.9	34,375.0	33,161.4
Segregated funds net assets	24,117.0	23,207.1	22,942.0	22,664.1	21,825.8	21,511.3	20,634.9	20,007.5	19,776.7
Total assets	<u>61,906.4</u>	<u>60,353.3</u>	<u>59,943.8</u>	<u>58,993.7</u>	<u>57,049.6</u>	<u>58,620.8</u>	<u>56,606.8</u>	<u>54,382.5</u>	<u>52,938.1</u>

¹ In 2017, one item in "Other invested assets" was reclassified under "Other assets" on the balance sheet. This change is reflected back through 2015.

FINANCIAL POSITION (continued)									
(In millions of dollars, unless otherwise indicated)	2017				2016				2015
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Liabilities									
Insurance contract liabilities									
Provisions for future policy benefits	24,963.6	24,090.1	24,722.3	23,828.1	23,346.2	24,928.2	24,268.3	23,049.9	22,299.4
Provisions for dividends to policyholders and experience rating refunds	34.0	32.7	31.8	30.1	32.8	26.3	26.7	30.8	30.7
Benefits payable and provision for unreported claims	261.8	247.2	250.9	266.5	220.7	221.2	240.8	233.9	214.0
Policyholders' amounts on deposit	304.1	308.1	297.7	305.7	299.0	299.8	302.5	301.9	303.8
Total	25,563.5	24,678.1	25,302.7	24,430.4	23,898.7	25,475.5	24,838.3	23,616.5	22,847.9
Investment contract liabilities									
	587.0	580.1	588.2	616.1	605.8	636.6	643.5	646.3	655.4
Derivative financial instruments									
	195.0	329.1	231.4	284.7	333.2	306.2	393.7	339.5	397.6
Other liabilities									
Mortgage debt on investment properties	—	—	—	—	—	—	—	21.8	22.1
Other	5,094.0	5,320.9	4,782.5	4,949.0	4,452.8	4,876.8	4,804.6	4,590.3	4,057.8
Total	5,094.0	5,320.9	4,782.5	4,949.0	4,452.8	4,876.8	4,804.6	4,612.1	4,079.9
Deferred income tax liabilities									
	217.5	215.1	185.9	186.1	173.4	174.3	166.9	154.6	150.5
Debtentures									
	996.3	996.1	995.8	995.6	995.3	1,244.4	846.3	846.2	846.1
General fund liabilities									
	32,653.3	32,119.4	32,086.5	31,461.9	30,459.2	32,713.8	31,693.3	30,215.2	28,977.4
Segregated funds liabilities									
	24,117.0	23,207.1	22,942.0	22,664.1	21,825.8	21,511.3	20,634.9	20,007.5	19,776.7
Equity									
Participating policyholders' accounts	41.0	39.4	39.3	39.3	39.0	45.7	45.4	45.1	45.0
Share capital									
Common shares	1,520.9	1,512.9	1,511.4	1,505.5	1,498.8	1,328.5	1,315.0	1,312.5	1,310.5
Preferred shares	375.0	375.0	375.0	375.0	375.0	375.0	375.0	375.0	375.0
Total	1,895.9	1,887.9	1,886.4	1,880.5	1,873.8	1,703.5	1,690.0	1,687.5	1,685.5
Contributed surplus	19.5	19.7	18.7	18.5	18.5	21.1	22.6	22.0	21.4
Retained earnings	3,130.8	3,052.4	2,908.9	2,848.0	2,793.2	2,546.3	2,458.7	2,370.4	2,374.0
Accumulated other comprehensive income									
	48.9	27.4	62.0	81.4	40.1	79.1	61.9	34.8	58.1
Total shareholders' equity									
	5,095.1	4,987.4	4,876.0	4,828.4	4,725.6	4,350.0	4,233.2	4,114.7	4,139.0
Total equity									
	5,136.1	5,026.8	4,915.3	4,867.7	4,764.6	4,395.7	4,278.6	4,159.8	4,184.0
Total liabilities and equity									
	61,906.4	60,353.3	59,943.8	58,993.7	57,049.6	58,620.8	56,606.8	54,382.5	52,938.1

Glossary

Assets under administration – All assets with respect to which the Company acts only as an intermediary between a client and an external fund manager.

Assets under management – All assets with respect to which the Company establishes a contract with a client and makes investment decisions for amounts deposited in this contract.

Capital structure – Total of Company equity, participating policyholders' accounts and debentures.

Classification of contracts – Contracts are classified into one of the following categories:

- **Insurance contract** – Contract under which the Company accepts a significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. The Company has classified most of its contracts as insurance contracts. The revenue associated with these contracts is posted as "Premiums" on the income statement.
- **Investment contract** – Contract that does not involve a significant insurance risk for the Company. Financial cash flows associated with these contracts are not posted on the income statement but are rather posted directly on the balance sheet of the Company.
- **Service contract** – Contract that does not involve any insurance risk for the Company. Administrative Services Only (ASO) contracts fall into this category. The revenue associated with these contracts is posted as "Other revenues" on the income statement.

Core earnings – Diluted core earnings per common share is a non-IFRS measure used to better understand the capacity of the Company 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 income tax gains and losses; 2) market gains and losses related to universal life policies, investment funds (MERs) and the 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 and iA Auto and Home) and for investment income on capital.

Deposits – Deposits refer to amounts of money received from customers under a mutual fund contract or an investment contract. Deposits are not reflected in the Company's income statements.

Dividend per common share – Dividend paid by the Company to its common shareholders in a given period.

Dividend per preferred share – Dividend paid by the Company to its preferred shareholders in a given period.

Earnings per common share (EPS) – A measure of the Company's profitability, calculated by dividing the consolidated net income attributed to common shareholders by the weighted average number of outstanding common shares for the period, excluding common shares held in treasury.

Finance receivables – Finance receivables contain car loans, accrued interest and fees.

IFRS – Refers to International Financial Reporting Standards.

Impaired investments – Mortgages, bonds and other investment securities in default where there is no reasonable assurance that amounts owed to the Company will be recovered. Any loan on which contractual payments are in arrears for 90 days or more in the case of mortgages and 120 days or more in the case of other loans or in foreclosure is assumed to be impaired.

Loan originations – Refers to new car loans disbursed in a given period.

Premiums and premium equivalents include general fund premiums, segregated fund premiums, and premium equivalents.

- **General fund premiums:** Premiums earned on insurance, annuity and pension contracts as reflected in the Company's income statements. "Net premiums" refer to gross premiums less amounts ceded to a reinsurer.
- **Segregated fund premiums:** Amounts related to insurance, annuity and pension contracts which are invested in segregated funds. These amounts are reflected in the Company's income statements.
- **Premium equivalents:** Amounts of money received by the Company under service contracts such as Administrative Services Only (ASO) contracts. ASO contracts are group insurance contracts administered by the Company on behalf of the client, who retains all insurance risks, on which the Company earns a fee for its services. Only the fees earned under such contracts are reflected in the Company's income statements.

Return on common shareholders' equity (ROE) – Ratio, expressed as a percentage, obtained by dividing the consolidated net income available to common shareholders by the average common shareholders' equity for the period.

Sales – Sales is a non-IFRS measure used to assess the Company's ability to generate a 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:

- **Individual Insurance:**
In the Individual Insurance sector, sales are defined as first-year annualized premiums. The net premiums presented in the Consolidated Financial Statements include both fund entries on new business written during the period and on in-force contracts and are reduced by premiums ceded to reinsurers.
- **Individual Wealth Management:**
Total sales: In the Individual Wealth Management sector, total sales (or gross sales) for general fund and segregated fund products correspond to the net premiums presented in the Consolidated Financial Statements. Sales for mutual funds are defined as deposits.
Net sales: In the Individual Wealth Management sector, net sales are a useful measure because they provide a more detailed understanding of the source of asset under management growth. The change in assets under management is important because it determines the level of management fees recorded in the Consolidated Income Statements under "Other revenues". Sales for segregated funds and mutual funds correspond to net fund entries (gross sales less withdrawals and transfers).
- **Group Insurance:**
Employee Plans: Sales are defined as fund entries on new business written during the period. They measure the Company's ability to generate new business. In the Group Insurance Employee Plans division, sales are defined as first-year annualized premiums, including premium equivalents (Administrative Services Only). The net premiums presented in the Consolidated Financial Statements are net of reinsurance and include both fund entries on new business written during the period and on in-force contracts. Net premiums for the Employee Plans division are included in the net premiums for the Group Insurance sector, along with those of the sector's two other divisions, Dealer Services and Special Markets Solutions.
Dealer Services - Creditor Insurance: Creditor insurance sales are defined as premiums before reinsurance and cancellations.
Dealer Services - P&C: P&C sales are defined as direct written premiums (before reinsurance).
Special Markets Solutions: Sales are defined as premiums before reinsurance.
- **Group Savings and Retirement:**
Sales: In the Group Savings and Retirement sector, sales include gross premiums (before reinsurance) and premium equivalents, or deposits. The net premiums presented in the Consolidated Financial Statements are after reinsurance and exclude premium equivalents.
- **General Insurance:**
iAAH (Auto & Home): Sales are defined as direct written premiums.

Share price – Price of the Company's share, as traded on the Toronto Stock Exchange under the ticker symbol IAG.

Sensitivity – Sensitivity analysis includes measures that have no IFRS equivalents.

Solvency ratio – The ratio of the available capital of a life insurance company to the required capital, each calculated as prescribed by regulatory authorities. This ratio provides a measure of the company's solvency and allows the regulatory authorities to determine if an insurance company is sufficiently capitalized in comparison to the minimum set by the company's regulator.

Sources of earnings – The analysis of profitability according to the sources of earnings presents sources of benefits 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 International Financial Reporting Standards and to facilitates the understanding of the financial position of companies 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 been realized during the reporting period. The operating profit and income taxes presented in the sources of earnings are non-IFRS measures. Sources of earnings provide additional indicators for evaluating financial performance:

- **Operating profit:**
Expected profit on in-force reflects the best estimates determined by management when the budget was prepared (updated quarterly for the savings sectors to reflect the evolution of the stock market and net fund entries).
Experience gains or losses represent the difference between the expected profit on in-force and the realized profit.
Gain (strain) on sales emerges when the provisions for adverse deviation incorporated into the provisions for future policy benefits are higher than the profit margins incorporated into product prices. Over the years, the provisions for adverse deviation are recovered in the form of profits as the assumptions used for pricing materialize.
Changes in assumptions result from the Company ensuring the adequacy of its provisions given the existing economic environment. The Company also does a complete update of all of its valuation assumptions at the end of each year to take into account the most recent developments in the economic and financial environment as well as its own experience in terms of mortality, morbidity, lapse rates, unit costs and other factors.
- **Income taxes:**
Income taxes represent the value of amounts payable under the tax laws and include tax payable and deferred income taxes. A life insurer's investment income taxes and premium taxes are not included in these amounts.