

# Fourth Quarter 2017 Conference Call

## Presenters:

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February 15, 2018



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## Solid growth in top line and core earnings

### Profit

- Reported EPS of \$1.24 and trailing-12-month ROE of 11.4%
- Core EPS +11% YoY and expected profit +16% YoY
- Year-end reserve strengthening of \$0.10 EPS, net
- Gains/losses from favourable markets, adverse lapse and higher strain

### Business Growth

- Premiums and deposits of \$2.4B (+7% YoY) and AUM/AUA of \$169.5B (+34% YoY)
- Total net mutual and seg fund inflows of \$132.6M
- Individual Insurance sales dampened by tax change, as expected
- Solid sales growth at Dealer Services, Special Markets Solutions and iAAH
- Completed acquisition of US-based DAC in January 2018 (extended vehicle warranties)

### Financial Strength

- Solvency ratio of 209% (~201% post-DAC closing)
- Book value per share of \$44.20: +8% YoY and +2% QoQ
- Dividend of \$0.38/common share; Q4 payout ratio of 30%

## Core earnings in line, continued business growth and strong financial position

### Profit

- Reported EPS of \$4.81 and core EPS of \$4.88, at the middle of guidance
- Expected profit on in-force +14% YoY and strain target reached
- \$0.20 experience loss due to lapse; lapse assumption repositioned at year-end
- 2018 guidance of \$5.20 to \$5.60; mid-guidance is 11% above 2017 core EPS

### Business Growth

- Strong positive net fund flows; mutual fund turnaround confirmed
- Individual Insurance sales back to normal growth, following new tax rule introduction
- Strong sales growth in all divisions of Group Insurance and at iAAH
- Recent acquisitions in US (DAC) and Canada (HollisWealth) expand financial services network

### Financial Strength

- Solvency ratio above target
- Strong and flexible balance sheet, with low debt ratio and high coverage ratio
- Book value per share +8% YoY
- Quarterly dividend increased by 9%; dividend paid in 2017 is +13% YoY

# Full-year Sales



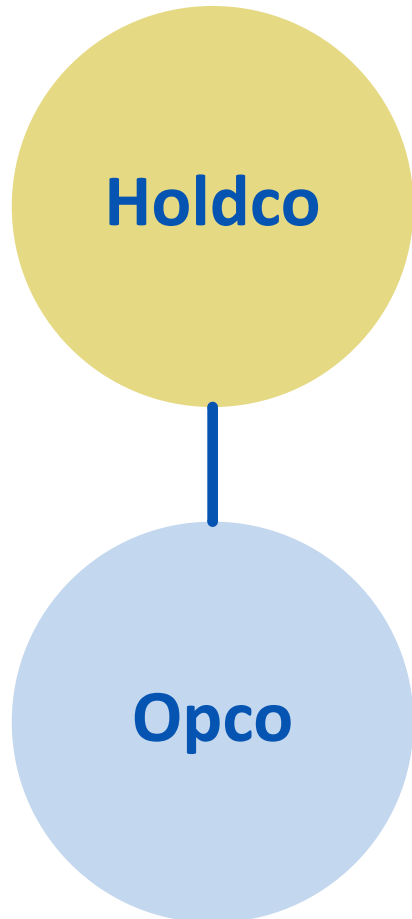
## Strong overall; Individual Insurance impacted by tax changes

(\$Million, unless otherwise indicated)

	Fourth quarter			Year-to-date at December 31		
	2017	2016	Variation	2017	2016	Variation
<b>▶ Individual Insurance</b>						
Canada	52.8	71.4	(26%)	194.0	212.1	(9%)
United States	22.1	22.0	—	94.1	94.6	(1%)
Total	74.9	93.4	(20%)	288.1	306.7	(6%)
<b>▶ Individual Wealth Management</b>						
Segregated funds - net sales	101.9	74.1	27.8	509.9	341.7	168.2
Mutual funds - net sales	30.7	77.2	(46.5)	329.2	(404.4)	733.6
Total - net sales	132.6	151.3	(18.7)	839.1	(62.7)	901.8
<b>▶ Group Insurance</b>						
Employee Plans	7.3	23.1	(68%)	107.6	71.4	51%
Dealer Services (Creditor Insurance and P&C)	148.0	129.3	14%	634.8	559.9	13%
Special Markets Solutions	79.1	59.8	32%	231.2	194.1	19%
Total	234.4	212.2	10%	973.6	825.4	18%
<b>▶ Group Savings and Retirement</b>	334.7	367.2	(9%)	1,545.1	1,481.4	4%
<b>▶ iA Auto and Home</b>	64.2	59.4	8%	308.8	278.6	11%

# Change in Corporate Structure

Intention announced on February 5, 2018 to adopt a Holdco/Opco structure



- Adapting legal structure to current reality of iA Financial Group
- Better suited to growth strategy and diversification of operations
- More operational and financial flexibility
- Level playing field with peers

## Solid growth in core earnings

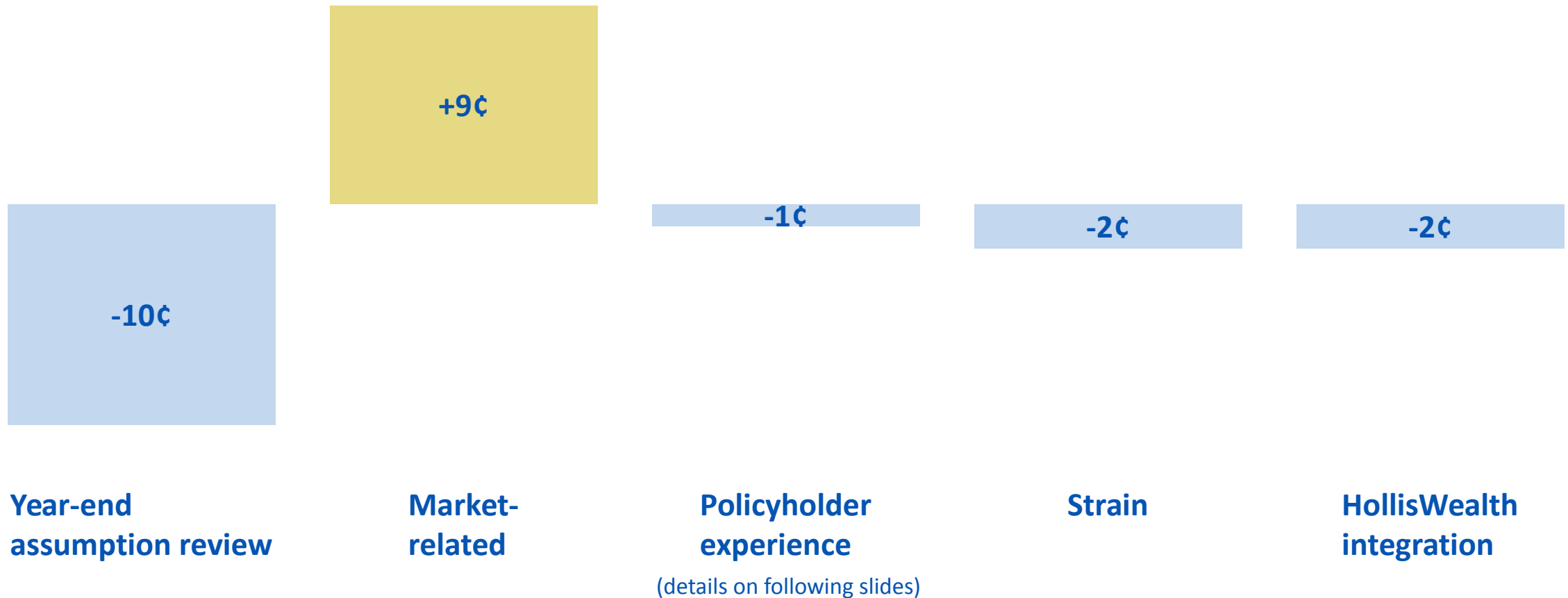
	Guidance	Q4/2017 results
<b>EPS</b>	\$1.25 to \$1.35	Reported: \$1.24 Core <sup>1</sup> : \$1.27
<b>ROE</b> (trailing twelve months)	11.0% to 12.5%	Reported: 11.4% Core: 11.5%
<b>Strain</b>	Quarterly range from 0% to 15%	6%
<b>Effective tax rate</b>	20% to 22%	22%
<b>Solvency ratio</b>	175% to 200%	209% (~201% post-DAC)
<b>Payout ratio</b>	25% to 35% (mid-range)	30%

# Q4 Items of Note



Mostly in line with expectations

## EPS impact

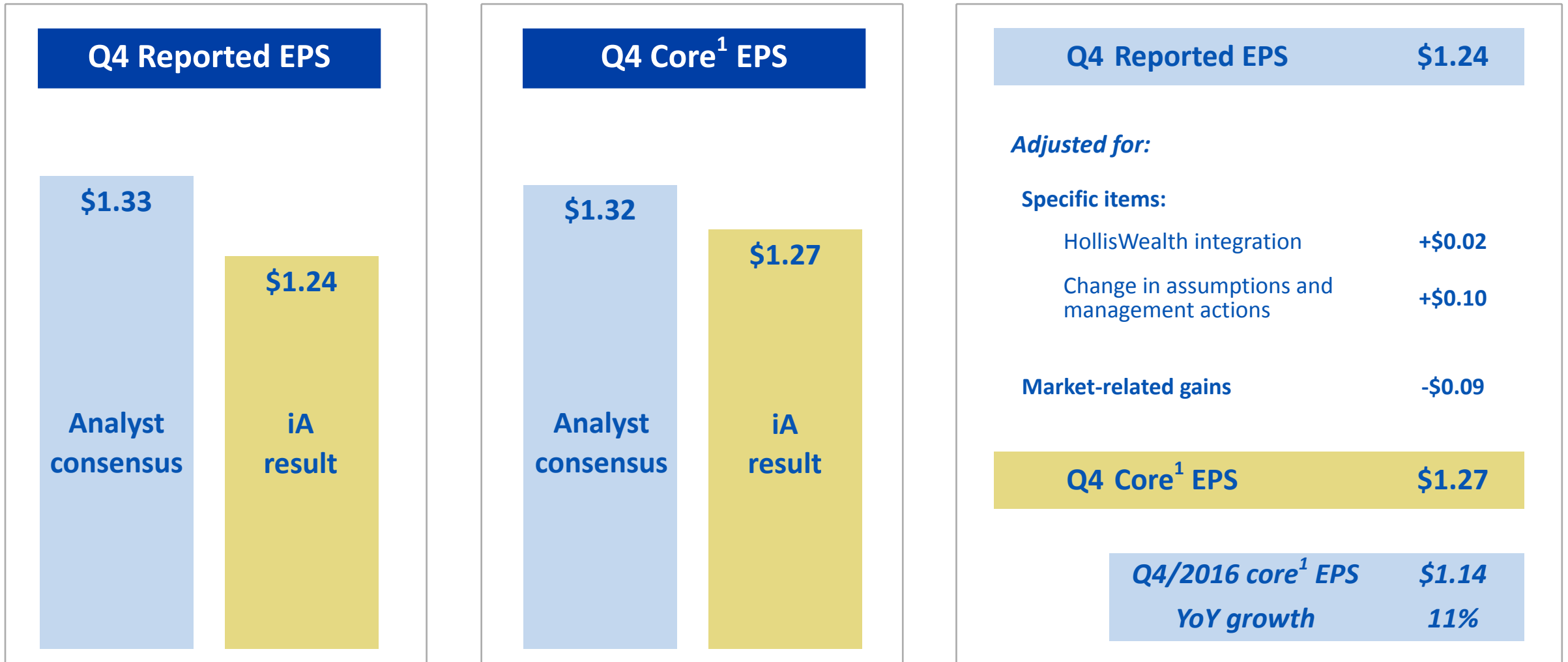




# Management's View on EPS



11% core<sup>1</sup> EPS growth vs. Q4/2016



# Policyholder Experience (excluding market impact and HollisWealth integration)



Only material deviation in Q4 is lapse in Individual Insurance

EPS impact in cents	2017				2016				2015				2017 annual	2016 annual	2015 annual
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Individual Insurance	(4)	1	(1)	(15)	16	7	4	2	9	9	14	(4)	(19)	29	28
Group Insurance	3	(1)	(4)	(1)	(9)	0	1	7	(2)	5	1	(3)	(3)	(1)	1
Individual Wealth Management	(1)	(1)	2	3	0	4	3	0	(7)	(4)	0	2	3	7	(9)
Group Savings and Retirement	1	(1)	1	1	(2)	1	2	0	(1)	2	0	1	2	1	2
<b>Total</b>	<b>(1)</b>	<b>(2)</b>	<b>(2)</b>	<b>(12)</b>	<b>5</b>	<b>12</b>	<b>10</b>	<b>9</b>	<b>(1)</b>	<b>12</b>	<b>15</b>	<b>(4)</b>	<b>(17)</b>	<b>36</b>	<b>22</b>
<b>iAAH</b> (in income on capital)	<b>0</b>	1	(4)	(3)	<b>(3)</b>	(3)	(1)	0	<b>(3)</b>	0	1	(6)	<b>(6)</b>	(7)	(8)

# 2017 Year-End Assumption Review

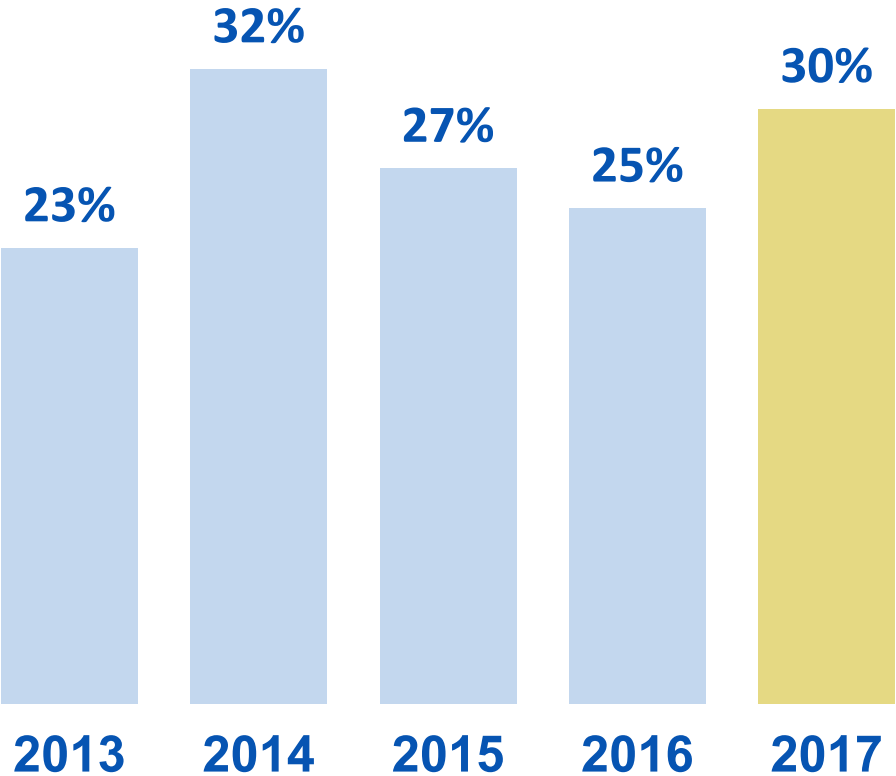


## Lapse assumption repositioned at year-end

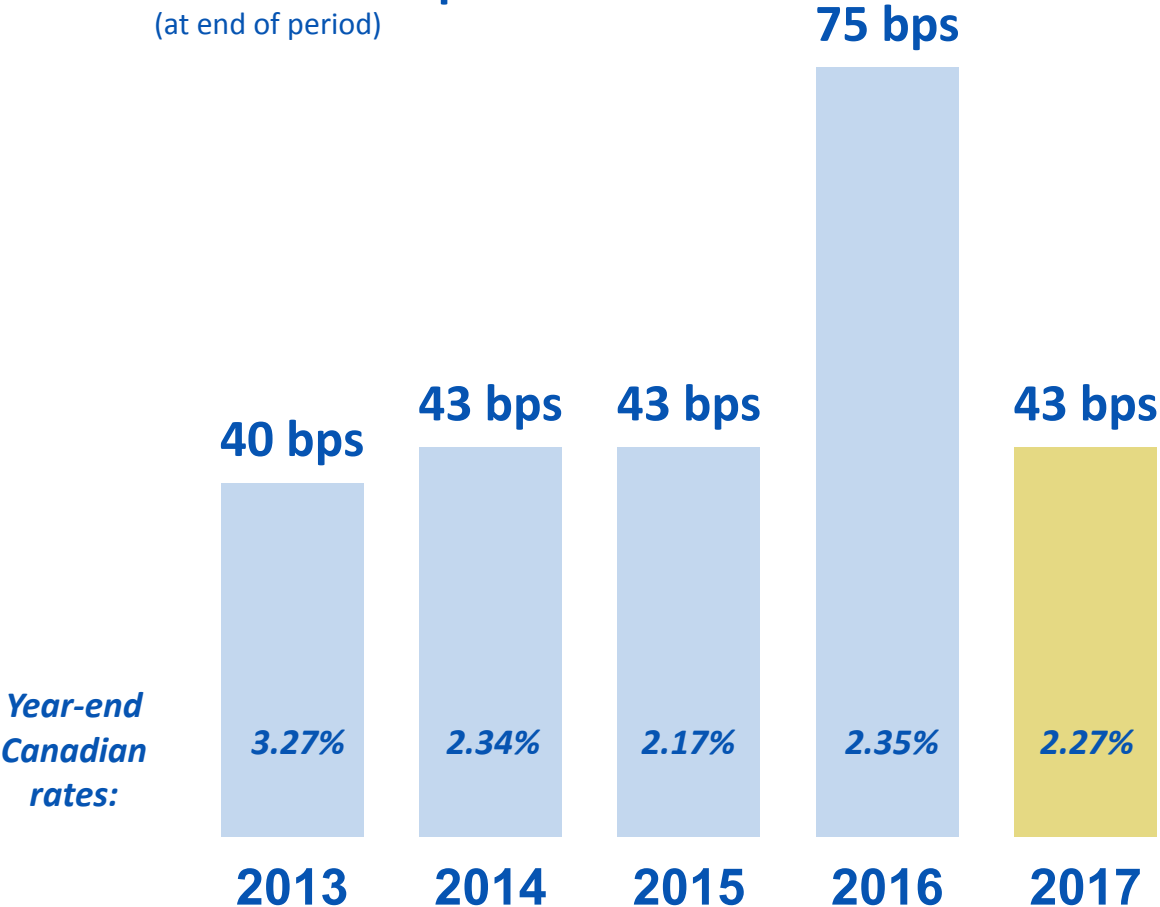
Impact on net income (\$Million, non-PAR business)	Pre-tax	After-tax	
<b>Mortality &amp; Morbidity</b>	<b>378</b>	<b>277</b>	Mortality improvement (new CIA table) Annual mortality and morbidity assumption review
<b>Policyholder behaviour</b>	<b>(675)</b>	<b>(494)</b>	Lapse assumption update from internal studies considering recent experience
<b>Economic assumptions</b>	<b>229</b>	<b>168</b>	Aligned with Q3 disclosure URR aligned with CIA promulgated rate
<b>Expenses &amp; Other</b>	<b>54</b>	<b>39</b>	Model refinement related to system changes
<b>Total</b>	<b>(14)</b>	<b>(10)</b>	<b>\$0.10 EPS net impact from reserve strengthening</b>

Markets can drop 30% and interest rates by 43 bps before reserves need strengthening

### Stock market protection (at end of period)



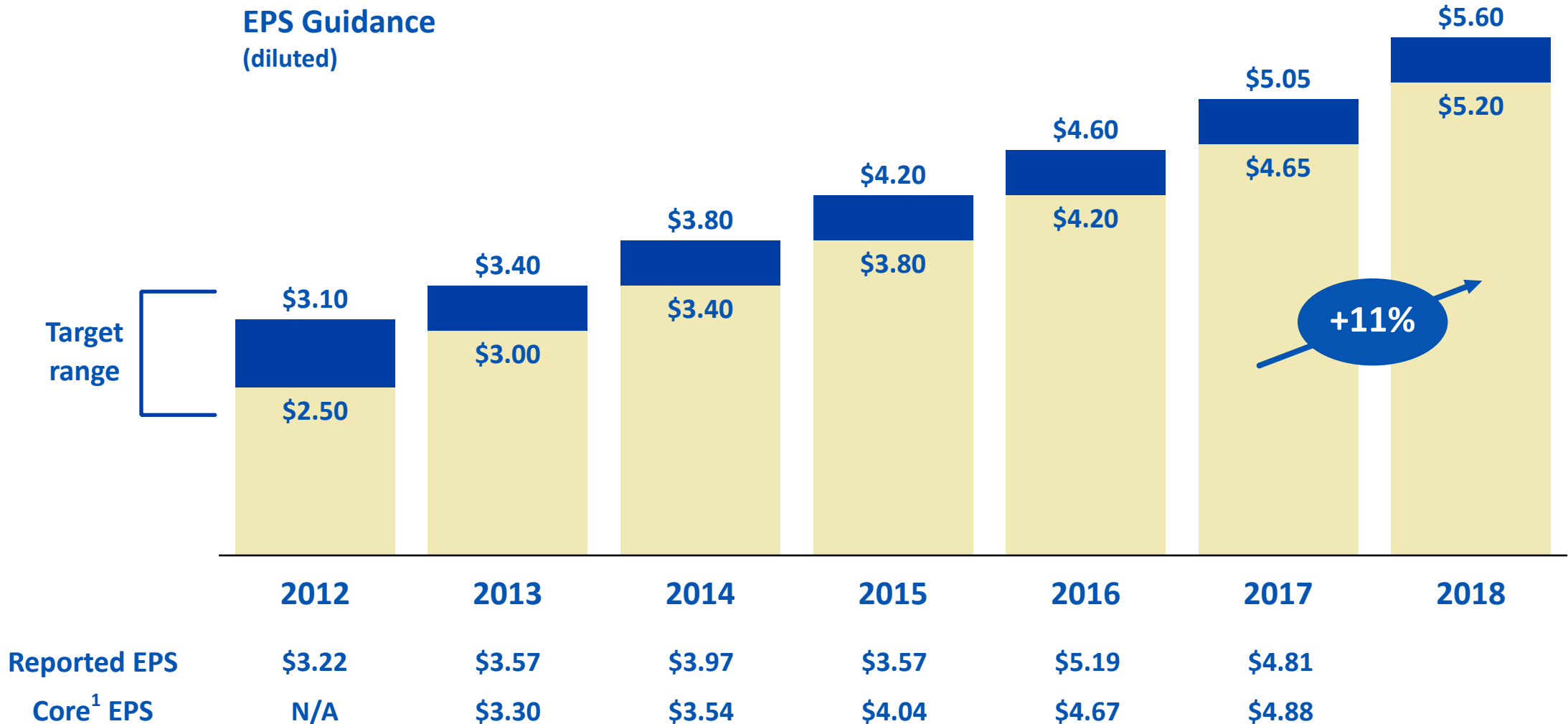
### Interest rate protection (at end of period)



## Targets reached

	Guidance	2017 results
<b>EPS</b>	\$4.65 to \$5.05	Reported: \$4.81 Core <sup>1</sup> : \$4.88
<b>ROE</b> (trailing twelve months)	11.0% to 12.5%	Reported: 11.4% Core: 11.5%
<b>Strain</b>	6%	5%
<b>Effective tax rate</b>	20% to 22%	22%
<b>Solvency ratio</b>	175% to 200%	209% (~201% post-DAC)
<b>Payout ratio</b>	25% to 35% (mid-range)	30%

## Committed to minimum 10% annual EPS growth



EPS <sup>1</sup>	
Q1	\$1.15 to \$1.25
Q2	\$1.30 to \$1.40
Q3	\$1.40 to \$1.50
Q4	\$1.35 to \$1.45
2018	\$5.20 to \$5.60

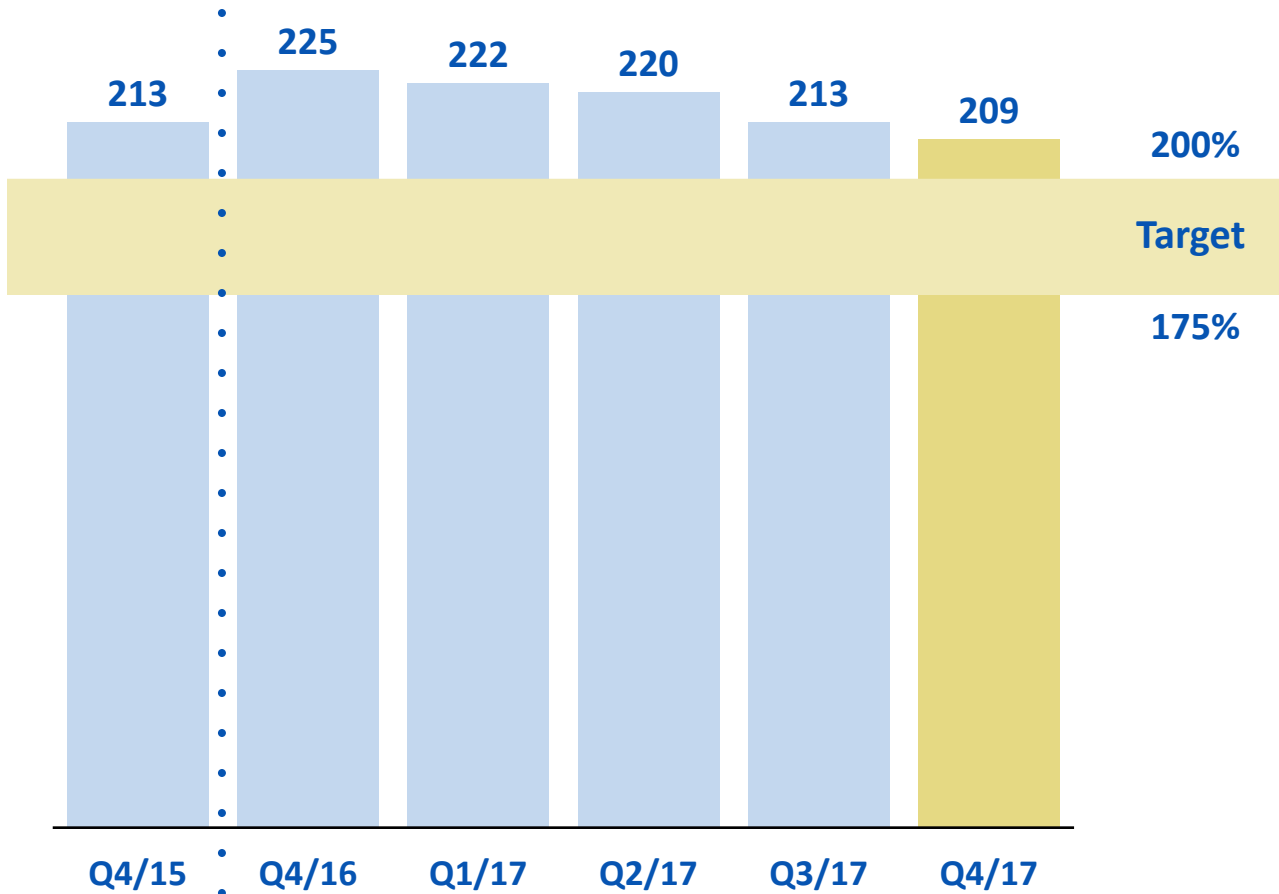
ROE <sup>1</sup>	11.0% to 12.5%
Strain	6% annual target (quarterly range from 0% to 15%)
Effective tax rate	21% to 23%
Payout ratio	25% to 35% (mid-range)

<sup>1</sup> Guidance for EPS and ROE excludes any potential impact of year-end assumption review.  
 This slide presents non-IFRS financial measures. See "Non-IFRS Financial Information" at the end of this document for further information.

## Above target range

### Solvency Ratio

(%, end of period)



### Key changes during the quarter

- ▶ -5% Macroeconomics
- ▶ +1% Profit and others

~201% post-DAC  
acquisition closed on Jan. 23, 2018



# A Flexible Balance Sheet



With capacity to fund our growth

	December 31 2017	September 30 2017	December 31 2016
<b>Solvency ratio</b>	209% ~201% post-DAC	213%	225%
<b>Leverage ratio</b>	22.4%	22.8%	23.8%
<b>Coverage ratio</b>	13.3x	12.7x	12.8x

Agency	Rating
S&P	A+
A.M. Best	A+ (Superior)
DBRS	A (high)

# Focused on Value Creation



## Book Value per Share (end of period)

CAGR	
1-year	+8%
5-year	+10%
10-year	+8%
Since 2000	+10%

December 31, 2017  
BVPS = \$44.20

\$9.36

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
2.17	2.22	1.72	1.61	1.80	1.74	1.94	2.03	1.15	1.41	1.49	1.00	1.14	1.53	1.31	1.20	1.30	1.35
Price / Book value per share																	

# Individual Insurance Strain on New Business



**\$0.02 EPS loss in Q4 on lower sales**

	2017				2016				2015			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Sales (\$M)</b>	74.9	68.6	74.8	69.8	93.4	75.0	72.9	65.4	73.7	63.8	61.7	55.1
<b>Strain (\$M)</b>	4.7	3.3	2.5	4.4	5.1	8.8	9.3	11.3	14.4	15.2	15.2	21.3
<b>Strain (%)</b>	6%	5%	3%	6%	5%	12%	13%	17%	20%	24%	25%	39%
<b>Annual strain (%)</b>	5%				11%				26%			

**Slightly better than 2017 target of 6%**

# Income on Capital



Investment income is in line and a second good quarter at iAAH

(\$Million, pre-tax)	2018 Quarterly Run Rate	2017 Quarterly Run Rate	2017				2016				2015			
			Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Investment income</b>	<b>35.5</b>	<b>33.0</b>	<b>32.2</b>	39.1	35.3	39.1	<b>29.4</b>	32.1	33.5	33.5	<b>33.7</b>	27.7	28.4	32.6
<b>Financing and intangibles</b>	<b>(16.0)</b>	<b>(14.0)</b>	<b>(14.7)</b>	(13.8)	(12.6)	(12.3)	<b>(15.4)</b>	(12.8)	(12.0)	(11.8)	<b>(10.6)</b>	(10.0)	(9.9)	(8.8)
<b>Subtotal</b>	<b>19.5</b>	<b>19.0</b>	<b>17.5</b>	25.3	22.7	26.8	<b>14.0</b>	19.3	21.5	21.7	<b>23.1</b>	17.7	18.5	23.8
<b>iA Auto and Home</b>	<b>3.0</b> with seasonality	<b>0.5</b> with seasonality	<b>2.6</b>	6.5	(6.4)	(11.0)	<b>(1.8)</b>	1.3	(4.0)	(6.9)	<b>(2.9)</b>	5.8	1.7	(10.2)
<b>Total</b>	<b>22.5</b>	<b>19.5</b>	<b>20.1</b>	31.8	16.3	15.8	<b>12.2</b>	20.6	17.5	14.8	<b>20.2</b>	23.5	20.2	13.6

**iA Auto and Home 2018 quarterly results could fluctuate significantly**

# Effective Tax Rate (ETR)



At top of guidance for Q4/17 and 2017

(\$Million, unless otherwise indicated)

	2017				2016				2015			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Operating income</b>	155.8	162.5	148.6	129.4	180.4	165.6	157.7	108.3	(20.7)	122.5	142.5	102.7
<b>Income on capital</b>	20.1	31.8	16.3	15.8	12.2	20.6	17.5	14.8	20.2	23.5	20.2	13.6
<b>Pre-tax income</b>	175.9	194.3	164.9	145.2	192.6	186.2	175.2	123.1	(0.5)	146.0	162.7	116.3
<b>Income taxes</b>	39.3	45.6	33.2	30.8	33.4	37.7	31.6	20.7	(8.8)	28.4	16.6	1.9
<b>ETR</b>	22%	23%	20%	21%	17%	20%	18%	17%	NM	19%	10%	2%

**22% for 2017**

# Equity Market Sensitivity



(End of period)		Q4/2017	Q3/2017	Q4/2016
<b>S&amp;P/TSX closing value</b>		<b>16,209 pts</b>	15,635 pts	15,288 pts
<b>iA solvency ratio</b>		<b>209%</b>	213%	225%
<b>Sensitivities</b>				
<b>Stocks matching long-term liabilities</b>	S&P/TSX level at which provisions for future policy benefits would have to be strengthened Variation	<b>11,300 pts (30%)</b>	11,700 pts (25%)	11,400 pts (25%)
<b>Solvency ratio</b>	S&P/TSX level at which the solvency ratio decreases to 175% Variation	<b>8,600 pts (47%)</b>	8,400 pts (46%)	7,400 pts (52%)
	S&P/TSX level at which the solvency ratio decreases to 150% Variation	<b>6,700 pts (59%)</b>	6,400 pts (59%)	5,600 pts (63%)
<b>Net income <sup>1</sup></b>	Full-year impact of a sudden 10% decrease in equity markets	<b>(\$32M)</b>	(\$30M)	(\$28M)

# Interest Rate Sensitivity



(End of period)		Q4/2017	Q3/2017	Q4/2016
IRR	<ul style="list-style-type: none"> <li>▶ IRR = Initial Reinvestment Rate</li> <li>▶ Key element is long-term Canadian rate at year-end</li> <li>▶ 43 bps protection as of Dec. 31, 2017 gives management time to act</li> </ul>			
	▶ Impact on net income <sup>1</sup> of a 10 bps decrease in IRR	(\$18M)	(\$15M)	(\$24M)
URR	<ul style="list-style-type: none"> <li>▶ URR = Ultimate Reinvestment Rate</li> <li>▶ Maximum assumption is promulgated by CIA and is reviewed periodically</li> <li>▶ iA is positioned at 3.2%, in accordance with promulgated rate</li> </ul>			
	▶ Impact on net income <sup>1</sup> of a 10 bps decrease in URR	(\$71M)	(\$61M)	(\$62M)

# S&P/TSX Thresholds for Q1/2018 Gain or Loss



Earnings driver	TSX threshold for gain or loss	Threshold compared with:	Potential impact on Q1/2018 net income attributed to common shareholders of a $\pm 10\%$ variation vs. threshold
Revenues on UL policy funds	16,432 <sup>1</sup>	Actual TSX value at the end of Q1/2018	$\pm \$10.7M$
MERs collected on investment funds	16,320 <sup>2</sup>	Actual average value <sup>3</sup> of TSX during Q1/2018	$\pm \$5.3M$

<sup>1</sup> Expected closing value of TSX at the end of Q1/2018. <sup>2</sup> Expected average value of TSX during Q1/2018. <sup>3</sup> Average of all trading day closing values. This slide presents non-IFRS financial measures. See "Non-IFRS Financial Information" at the end of this document for further information.



# Reported EPS and Core EPS<sup>1</sup> Reconciliation



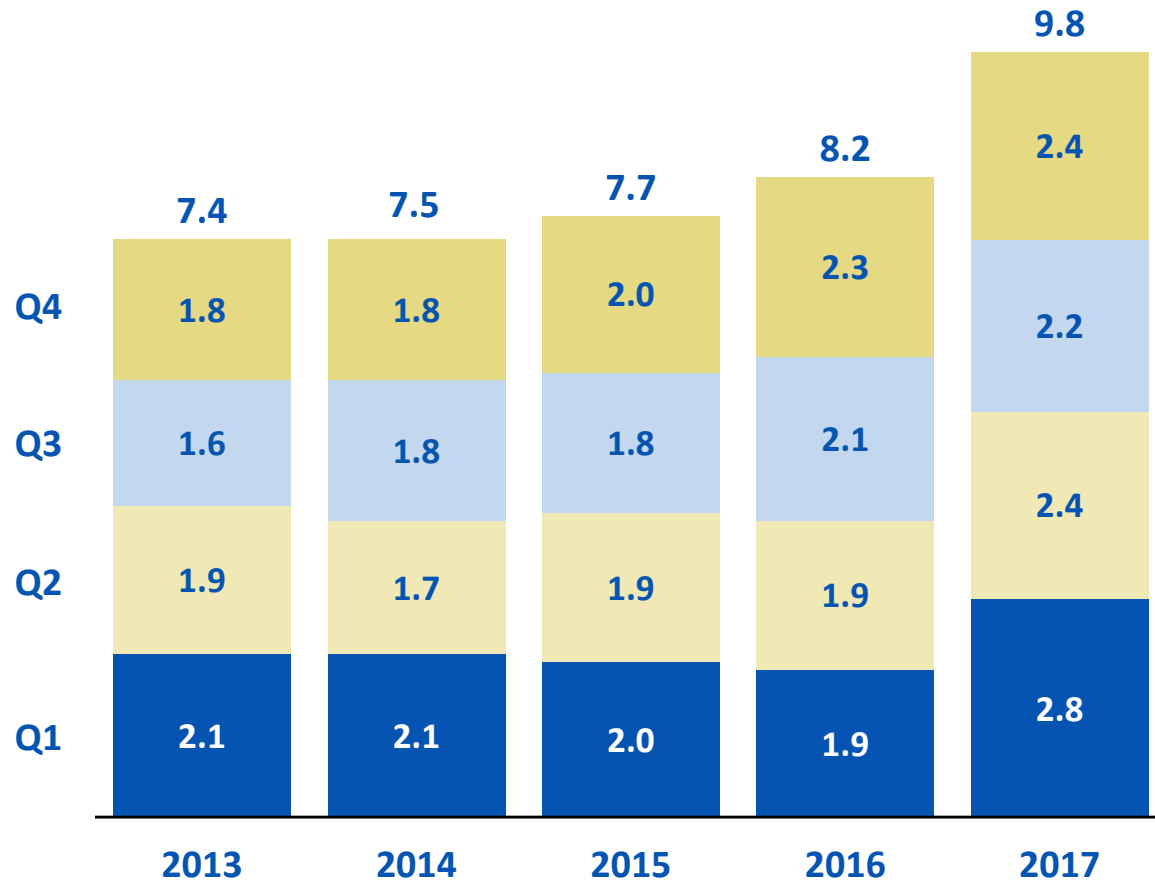
(On a diluted basis)	Fourth quarter			Year-to-date at December 31		
	2017	2016	Variation	2017	2016	Variation
<b>EPS</b>	<b>\$1.24</b>	<b>\$1.48</b>	<b>(16%)</b>	<b>\$4.81</b>	<b>\$5.19</b>	<b>(7%)</b>
<b>Adjusted for:</b>						
Specific items:						
Tax on premiums	—	—		\$0.04	—	
HollisWealth integration	\$0.02	—		\$0.08	—	
Income tax gains and losses	—	(\$0.06)		—	(\$0.09)	
Year-end assumption review	\$0.10	(\$0.22)		\$0.10	(\$0.22)	
Debentures and preferred share redemption	—	\$0.03		—	\$0.03	
Market-related gains	(\$0.09)	(\$0.02)		(\$0.26)	(\$0.11)	
Policyholder experience gains and losses in excess of \$0.04 EPS	—	(\$0.07)		\$0.11	(\$0.13)	
<b>Core EPS<sup>1</sup></b>	<b>\$1.27</b>	<b>\$1.14</b>	<b>11%</b>	<b>\$4.88</b>	<b>\$4.67</b>	<b>4%</b>

<sup>1</sup> Diluted core earnings per common share (core EPS) is a non-IFRS measure and represents management's view of the Company's capacity to generate sustainable earnings. The Company believes that this measure provides additional information to better understand the Company's financial results and assess its growth and earnings potential, and that it facilitates 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. See "Non-IFRS Financial Information" at the end of this document for further information.

# Premiums and Deposits



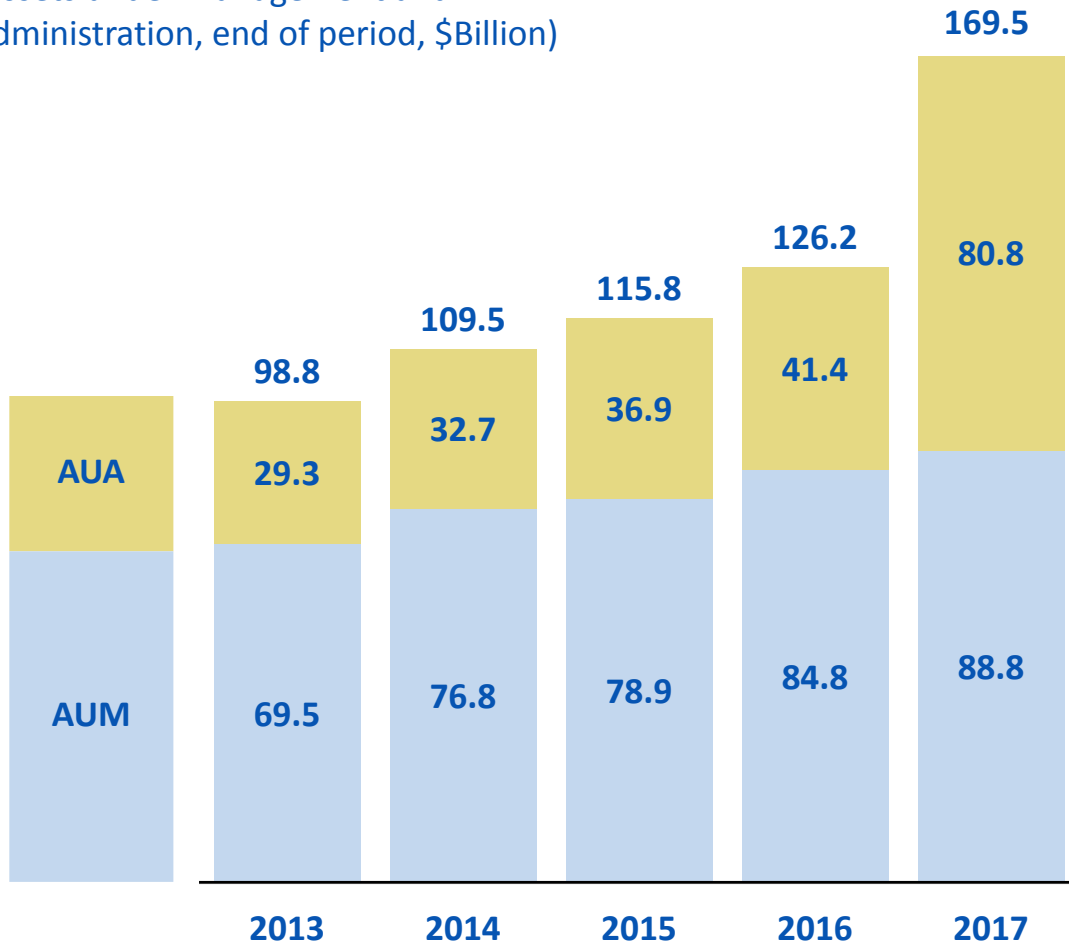
Net premiums, premium equivalents and deposits (\$Billion)



Q4/2017	\$Million	YoY
Individual Insurance	470.3	4%
Individual Wealth Management	1,097.8	11%
Group Insurance	445.9	17%
Group Savings and Retirement	328.3	(9%)
General Insurance	72.8	9%
<b>TOTAL</b>	<b>2,415.1</b>	<b>7%</b>

## AUM/AUA

(assets under management and administration, end of period, \$Billion)

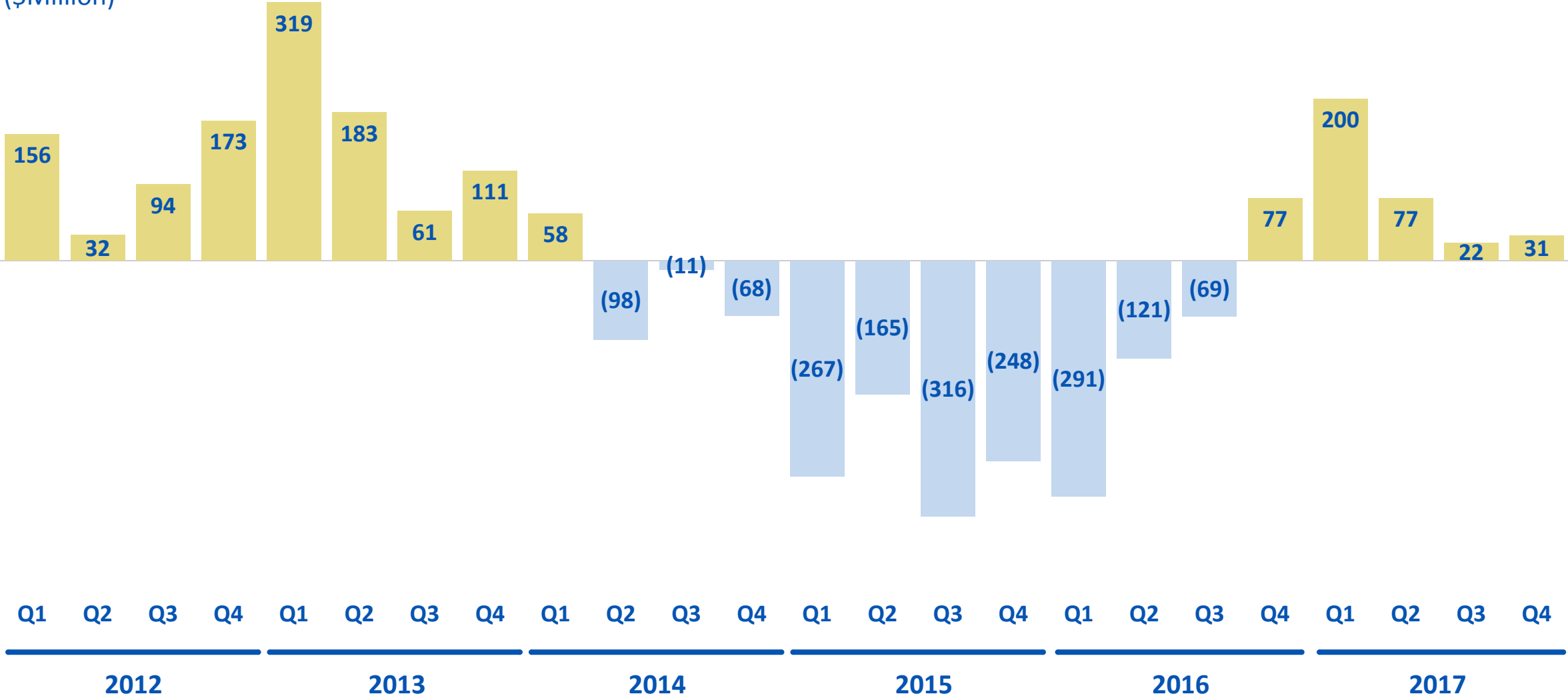


Assets Under Management and Administration			
(\$Billion, unless otherwise indicated)	December 31 2017	QoQ	YoY
<b>Assets under management</b>			
General fund	37.8	2%	7%
Segregated funds	24.1	4%	10%
Mutual funds	11.7	2%	7%
Other	15.1	—	(10%)
<b>Subtotal</b>	<b>88.8</b>	<b>2%</b>	<b>5%</b>
<b>Assets under administration</b>	<b>80.8</b>	<b>4%</b>	<b>95%</b>
<b>Total</b>	<b>169.5</b>	<b>3%</b>	<b>34%</b>

# Mutual Fund Net Sales



(\$Million)



(\$Million, unless otherwise indicated)	Fourth quarter			Year-to-date at December 31		
	2017	2016	Variation	2017	2016	Variation
<b>Sales<sup>1</sup></b>						
<b>Canada - Minimum premiums<sup>2</sup></b>	<b>46.2</b>	62.6	(26%)	<b>170.2</b>	186.4	(9%)
<b>Canada - Excess premiums<sup>3</sup></b>	<b>6.6</b>	8.8	(25%)	<b>23.8</b>	25.7	(7%)
<b>Canada - Total</b>	<b>52.8</b>	71.4	(26%)	<b>194.0</b>	212.1	(9%)
<b>US</b>	<b>22.1</b>	22.0	—	<b>94.1</b>	94.6	(1%)
<b>Total</b>	<b>74.9</b>	93.4	(20%)	<b>288.1</b>	306.7	(6%)
<b>Premiums</b>	<b>470.3</b>	453.8	4%	<b>1,787.3</b>	1,686.1	6%
<b>Number of policies (Canada)</b>	<b>32,067</b>	33,680	(5%)	<b>121,583</b>	118,312	3%

<sup>1</sup> First-year annualized premiums. <sup>2</sup> Insurance component. <sup>3</sup> Savings component.

This slide presents non-IFRS financial measures. See "Non-IFRS Financial Information" at the end of this document for further information.

# Individual Wealth Management



(\$Million, unless otherwise indicated)	Fourth quarter			Year-to-date at December 31		
	2017	2016	Variation	2017	2016	Variation
<b>Sales<sup>1</sup></b>						
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%
<b>Total</b>	<b>1,097.8</b>	<b>991.8</b>	<b>11%</b>	<b>4,575.5</b>	<b>3,334.5</b>	<b>37%</b>
<b>Net sales</b>						
Segregated funds	101.9	74.1	27.8	509.9	341.7	168.2
Mutual funds	30.7	77.2	(46.5)	329.2	(404.4)	733.6
<b>Total</b>	<b>132.6</b>	<b>151.3</b>	<b>(18.7)</b>	<b>839.1</b>	<b>(62.7)</b>	<b>901.8</b>

(\$Million, unless otherwise indicated)	December 31 2017	Q4 variation	1-year variation
<b>Assets under management</b>			
General fund	1,241.3	2%	5%
Segregated funds	14,466.2	4%	8%
Mutual funds	11,723.2	2%	7%
Other	4,345.9	5%	9%
<b>Total</b>	<b>31,776.6</b>	<b>3%</b>	<b>8%</b>
<b>Assets under administration</b>	<b>79,300.4</b>	<b>4%</b>	<b>92%</b>
<b>Total AUM/AUA</b>	<b>111,077.0</b>	<b>4%</b>	<b>57%</b>

<sup>1</sup> Defined as net premiums for general and segregated funds and deposits for mutual funds.

This slide presents non-IFRS financial measures. See "Non-IFRS Financial Information" at the end of this document for further information.

# Group Insurance



(\$Million, unless otherwise indicated)	Fourth quarter			Year-to-date at December 31		
	2017	2016	Variation	2017	2016	Variation
<b>Sales<sup>1</sup></b>						
Employee Plans	7.3	23.1	(68%)	107.6	71.4	51%
Dealer Services - Creditor Insurance <sup>2</sup>	99.0	85.5	16%	401.4	363.0	11%
P&C Insurance	49.0	43.8	12%	233.4	196.9	19%
Total	148.0	129.3	14%	634.8	559.9	13%
Special Markets Solutions	79.1	59.8	32%	231.2	194.1	19%
<b>Total Group Insurance</b>	<b>234.4</b>	<b>212.2</b>	<b>10%</b>	<b>973.6</b>	<b>825.4</b>	<b>18%</b>
<b>Car loans (Dealer Services)</b>						
Loan originations	62.2	93.9	(34%)	278.6	391.1	(29%)
Finance receivables	568.1	505.0	12%	568.1	505.0	12%
<b>Premiums and equivalents</b>						
Premiums	416.5	349.2	19%	1,512.0	1,357.1	11%
Service contracts (ASO)	13.9	10.8	29%	53.9	45.0	20%
Investment contracts	15.5	19.6	(21%)	60.0	74.3	(19%)
<b>Total</b>	<b>445.9</b>	<b>379.6</b>	<b>17%</b>	<b>1,625.9</b>	<b>1,476.4</b>	<b>10%</b>

<sup>1</sup> 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. <sup>2</sup> Includes all creditor insurance business sold by the Company. This slide presents non-IFRS financial measures. See "Non-IFRS Financial Information" at the end of this document for further information.

# Group Savings and Retirement



Sales <sup>1</sup> (\$Million, unless otherwise indicated)	Fourth quarter			Year-to-date at December 31		
	2017	2016	Variation	2017	2016	Variation
Accumulation products	272.9	349.0	(22%)	1,367.9	1,334.9	2%
Insured annuities	45.9	5.5	735%	122.2	85.1	44%
Deposits <sup>2</sup>	15.9	12.7	25%	55.0	61.4	(10%)
<b>Total</b>	<b>334.7</b>	<b>367.2</b>	<b>(9%)</b>	<b>1,545.1</b>	<b>1,481.4</b>	<b>4%</b>

Funds under management	December 31, 2017	Q4 variation	1-year variation
Accumulation products	10,707.9	4%	13%
Insured annuities	3,246.6	2%	2%
<b>Total</b>	<b>13,954.5</b>	<b>3%</b>	<b>10%</b>

<sup>1</sup> Sales are defined as gross premiums (before reinsurance) and deposits. <sup>2</sup> Deposits include GICs held in trust and institutional management contracts. This slide presents non-IFRS financial measures. See "Non-IFRS Financial Information" at the end of this document for further information.



# Quality of Investment Portfolio



	December 31 2017	September 30 2017	December 31 2016
<b>IMPAIRED INVESTMENTS AND PROVISIONS</b>			
<b>Gross impaired investments</b>	<b>\$30.9M</b>	\$31.1M	\$29.0M
<b>Provisions for impaired investments</b>	<b>\$7.5M</b>	\$5.6M	\$5.6M
<b>Net impaired investments</b>	<b>\$23.4M</b>	\$25.5M	\$23.4M
<b>Net impaired investments as a % of investment portfolio</b>	<b>0.07%</b>	0.08%	0.08%
<b>Provisions as a % of gross impaired investments</b>	<b>24.3%</b>	18.0%	19.3%
<b>BONDS – Proportion rated BB or lower</b>	<b>0.99%</b>	0.85%	0.76%
<b>MORTGAGES – Delinquency rate</b>	<b>0.34%</b>	0.34%	0.27%
<b>REAL ESTATE – Occupancy rate on investment properties</b>	<b>93.0%</b>	89.0%	90.2%
<b>CAR LOANS - Average credit loss rate (trailing twelve months)<sup>1</sup></b>	<b>3.2%</b>	3.1%	3.5%

<sup>1</sup> Represents total credit losses (prime and non-prime) for the prior twelve months divided by the average finance receivables over the same period. This slide presents non-IFRS financial measures. See "Non-IFRS Financial Information" at the end of this document for further information.

EPS <sup>1</sup>	
Q1	\$1.00 to \$1.10
Q2	\$1.15 to \$1.25
Q3	\$1.25 to \$1.35
Q4	\$1.25 to \$1.35
<b>2017</b>	<b>\$4.65 to \$5.05</b>

ROE <sup>1</sup>	11.0% to 12.5%
Strain	6% annual target (quarterly range from 0% to 15%)
Effective tax rate	20% to 22%
Solvency ratio	175% to 200%
Payout ratio	25% to 35% (mid-range)

<sup>1</sup> Guidance for EPS and ROE excludes any potential impact of year-end assumption review.  
This slide presents non-IFRS financial measures. See "Non-IFRS Financial Information" at the end of this document for further information.

## Contact

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## Next Reporting Dates

Q1/2018 - May 10, 2018  
Q2/2018 - August 2, 2018  
Q3/2018 - November 7, 2018  
Q4/2018 - February 14, 2019

**Next Investor Day:** June 22, 2018

For information on our earnings releases, conference calls and related disclosure documents, consult the Investor Relations section of our website at [ia.ca](http://ia.ca).

## No Offer or Solicitation to Purchase

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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.

The analysis of profitability according to the sources of earnings presents sources of income in compliance with the guideline issued by the Office of the Superintendent of Financial Institutions and developed in co-operation with the Canadian Institute of Actuaries. This analysis is intended to be a supplement to the disclosure required by IFRS and to facilitate the understanding of the Company's financial position by both existing and prospective stakeholders to better form a view as to the quality, potential volatility and sustainability of earnings. It provides an analysis of the difference between actual income and the income that would have been reported had all assumptions at the start of the reporting period materialized during the reporting period. It sets out the following measures: expected profit on in-force business (representing the portion of the consolidated net income on business in force at the start of the reporting period that was expected to be realized based on the achievement of best-estimate assumptions); experience gains and losses (representing gains and losses that are due to differences between the actual experience during the reporting period and the best-estimate assumptions at the start of the reporting period); new business strain (representing the point-of-sale impact on net income of writing new business during the period); changes in assumptions, management actions and income on capital (representing the net income earned on the Company's surplus funds).

Sales is a non-IFRS measure used to assess the Company's ability to generate new business. They are defined as fund entries on new business written during the period. Net premiums, which are part of the revenues presented in the financial statements, include both fund entries from new business written and in-force contracts. Assets under management and administration is a non-IFRS measure used to assess the Company's ability to generate fees, particularly for investment funds and funds under administration. An analysis of revenues by sector is presented in the 2017 Management's Discussion and Analysis.

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 unusual income tax gains and losses; 2) market gains and losses related to universal life policies, investment funds (MERs) and the dynamic hedging program for segregated fund guarantees; 3) gains and losses in excess of \$0.04 per share, on a quarterly basis, for strain on Individual Insurance sales, for policyholder experience by business segment (Individual Insurance, Individual Wealth Management, Group Insurance, Group Savings and Retirement and iA Auto and Home Insurance), for usual income tax gains and losses and for investment income on capital.

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Additional information about the material factors that could cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in the “Risk Management” section of the Management’s Discussion and Analysis for the year 2017 and in the “Management of Risks Associated with Financial Instruments” note to iA Financial Group’s audited consolidated financial statements for the year ended December 31, 2017, and elsewhere in iA Financial Group’s filings with Canadian securities regulators, which are available for review at [sedar.com](http://sedar.com).

The forward-looking statements in this presentation reflect the Company’s expectations as of the date of this presentation. iA Financial Group does not undertake to update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this presentation or to reflect the occurrence of unanticipated events, except as required by law.

