



At March 31, 2018

**Financial Information  
Package (unaudited)**

For the First Quarter of 2018

## 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 6,500 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)

### Transfer Agent

Computershare Investor Services Inc.  
Telephone: 514-982-7555  
Toll-free: 1-877-684-5000  
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### Dividend Reinvestment and Share Purchase Plan (DRIP)

Computershare Trust Company of Canada  
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### Investor Relations

418-684-5000, extension 105862  
[investors@ia.ca](mailto:investors@ia.ca)

### 2018 Reporting Dates

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](http://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 March 31			Twelve months ended
	2018	2017	Variation	December 31
				2017
<b>PROFITABILITY</b>				
Net income attributed to shareholders	143.0	114.4	25%	531.4
Dividends attributed to preferred shares	3.8	4.1	(7%)	15.9
Redemption premium on preferred shares	—	—	—	—
Net income attributed to common shareholders	<u>139.2</u>	<u>110.3</u>	<u>26%</u>	<u>515.5</u>
Earnings per common share				
Basic	\$1.30	\$1.04	\$0.26	\$4.84
Diluted	\$1.29	\$1.03	\$0.26	\$4.81
Diluted, core <sup>1</sup>	\$1.32	\$1.05	\$0.27	\$4.86
Return on common shareholders' equity <sup>1</sup>				
Quarter annualized	11.5%	10.0%	150 bps	—
Trailing 12 months <sup>1</sup>	11.6%	13.4%	(180 bps)	—
Trailing 12 months, core	11.7%	12.0%	(30 bps)	—
<b>BUSINESS GROWTH</b>				
Sales by line of business <sup>1</sup>				
Individual Insurance	46.7	46.5	—	194.0
Individual Wealth Management				
General fund	109.7	91.8	19%	316.5
Segregated funds	617.6	554.5	11%	1,883.4
Mutual funds	670.1	783.8	(15%)	2,365.4
Total	<u>1,397.4</u>	<u>1,430.1</u>	<u>(2%)</u>	<u>4,565.3</u>
Group Insurance				
Employee Plans	19.5	35.8	(46%)	107.3
Dealer Services - Creditor Insurance <sup>2</sup>	72.3	75.7	(4%)	401.4
Dealer Services - P&C	49.9	46.5	7%	233.4
Special Markets Solutions	65.0	54.5	19%	231.2
Group Savings and Retirement	535.3	475.2	13%	1,545.1
US Operations (CAN) <sup>3</sup>				
Individual Insurance	21.8	23.4	(7%)	94.5
Dealer Services - P&C <sup>4</sup>	111.3	—	—	—
General Insurance				
iAAH (Auto & Home)	62.2	59.4	5%	308.8
Net premiums, premium equivalent and deposits by line of business				
Individual Insurance	391.8	362.2	8%	1,492.5
Individual Wealth Management	1,397.4	1,430.1	(2%)	4,565.3
Group Insurance	422.5	371.8	14%	1,621.4
Group Savings and Retirement	529.0	468.5	13%	1,518.9
US Operations				
Individual Insurance	81.0	74.9	8%	309.8
Dealer Services - P&C	20.5	—	—	—
General Insurance <sup>5</sup>	71.7	66.7	7%	280.5
Total	<u>2,913.9</u>	<u>2,774.2</u>	<u>5%</u>	<u>9,788.4</u>
Assets under management and administration	169,651.6	130,184.6	30%	169,539.8

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

<sup>2</sup> Includes all creditor insurance business sold by the Company.

<sup>3</sup> As at March 31, 2018, the company has decided to present information relating to its US Operations separately.

<sup>4</sup> Data first presented in Q1-2018 as Helios Financial Corporation which owns Dealers Assurance Company and Southwest Reinsure Inc. (collectively "DAC") was acquired on January 23, 2018.

<sup>5</sup> Includes iA Auto and Home premiums, other activities that have no link with key segments and some minor consolidation adjustments.

**HIGHLIGHTS (continued)**
*(In millions of dollars, unless otherwise indicated)*

	March 31, 2018	December 31, 2017	March 31, 2017
<b>QUALITY OF INVESTMENTS</b>			
Impaired investments and provisions (excluding insured loans)			
Net impaired investments	20.4	23.4	25.9
Net impaired investments as a % of investment portfolio	0.06%	0.07%	0.08%
Provisions for impaired investments (specific)	6.9	7.5	5.7
As a % of gross impaired investments	25.3%	24.3%	18.0%
Bonds			
Rated BB and lower	0.86%	0.99%	0.68%
Mortgages			
Delinquency rate	0.19%	0.34%	0.37%
Occupancy rate on investment properties	92.0%	93.0%	89.5%
<b>SOLVENCY RATIO CARLI<sup>1,2</sup></b>	<b>121%</b>	<b>120%</b>	<b>—</b>
<b>SOLVENCY RATIO CAR<sup>1,3</sup></b>	<b>—</b>	<b>209%</b>	<b>222%</b>
<b>BOOK VALUE PER OUTSTANDING COMMON SHARE</b>	<b>\$45.05</b>	<b>\$44.20</b>	<b>\$41.86</b>

<sup>1</sup> Non-IFRS measures. See glossary at the end of this document for definition.

<sup>2</sup> New capital regime effective as at January 1, 2018. The AMF capital guideline is comparable to OSFI's LICAT.

<sup>3</sup> Capital regime in effect until December 31, 2017. The AMF capital guideline is comparable to OSFI's MCCSR.

**PROFITABILITY**

<i>(In millions of dollars, unless otherwise indicated)</i>	2018		2017			2016				2017	2016
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual
<b>Net income</b>											
Net income	143.5	138.2	148.8	131.7	114.7	152.5	148.8	144.0	102.4	533.4	547.7
Net income attributed to participating policyholders	0.5	1.6	0.1	—	0.3	(6.7)	0.3	0.4	—	2.0	(6.0)
Net income attributed to shareholders	143.0	136.6	148.7	131.7	114.4	159.2	148.5	143.6	102.4	531.4	553.7
Dividends attributed to preferred shares	3.8	3.8	3.8	4.2	4.1	4.2	4.1	4.1	4.1	15.9	16.5
Redemption premium on preferred shares	—	—	—	—	—	—	—	—	—	—	—
Net income attributed to common shareholders	139.2	132.8	144.9	127.5	110.3	155.0	144.4	139.5	98.3	515.5	537.2
<b>Earnings per common share</b>											
Basic	\$1.30	\$1.25	\$1.36	\$1.20	\$1.04	\$1.50	\$1.41	\$1.36	\$0.96	\$4.84	\$5.22
Diluted	\$1.29	\$1.24	\$1.35	\$1.19	\$1.03	\$1.48	\$1.40	\$1.35	\$0.96	\$4.81	\$5.19
Diluted, core <sup>1</sup>	\$1.32	\$1.27	\$1.35	\$1.19	\$1.05	\$1.15	\$1.29	\$1.21	\$1.04	\$4.86	\$4.69
<b>Return on common shareholders' equity<sup>1</sup></b>											
Quarter annualized	11.5%	11.4%	12.7%	11.4%	10.0%	14.9%	14.7%	14.7%	10.5%	—	—
Trailing 12 months	11.6%	11.4%	12.5%	12.9%	13.4%	13.2%	10.1%	9.4%	9.8%	—	—
Trailing 12 months, core	11.7%	11.5%	11.8%	11.8%	12.0%	11.9%	12.1%	11.9%	12.0%	—	—
<b>Net income attributed to common shareholders by line of business</b>											
Individual Insurance	63.7	52.4	82.1	70.0	53.5	110.5	78.6	76.9	62.7	258.0	328.7
Individual Wealth Management	39.5	39.8	34.7	36.1	38.7	29.0	36.5	38.9	10.1	149.3	114.5
Group Insurance	19.0	17.5	17.9	9.3	9.7	0.2	16.4	14.7	20.5	54.4	51.8
Group Savings and Retirement	6.1	15.2	4.4	5.5	5.3	8.8	5.5	4.9	2.0	30.4	21.2
US Operations	10.9	7.9	5.8	6.6	3.1	6.5	7.4	4.1	3.0	23.4	21.0
Total	139.2	132.8	144.9	127.5	110.3	155.0	144.4	139.5	98.3	515.5	537.2

**SPECIFIED ITEMS<sup>1</sup>**

<i>(In millions of dollars, unless otherwise indicated)</i>	2018		2017			2016				2017	2016
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual
<b>Impact on net income to common shareholders</b>											
Impact of market on expected earnings <sup>2</sup>											
Increase (decrease) in income on UL policies	(5.6)	5.7	(1.0)	(1.6)	1.9	2.9	4.3	—	(4.5)	5.0	2.7
Higher (lower) than expected management fees <sup>3</sup>	(1.0)	1.3	(0.5)	0.3	1.0	0.1	1.2	0.8	(1.5)	2.1	0.6
Impact of dynamic hedging	2.1	3.1	5.2	4.2	9.5	(0.9)	3.9	10.1	(6.3)	22.0	6.8
Other											
Changes in assumptions and management actions	—	(10.6)	—	—	—	23.2	—	—	—	(10.6)	23.2

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

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

<sup>3</sup> 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**

(In millions of dollars, unless otherwise indicated)	2018		2017			2016				2017	2016
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual
<b>Individual Insurance</b>											
Operating profit (loss) <sup>1</sup>											
Expected profit on in-force	76.0	80.8	81.7	79.1	76.3	73.0	74.1	72.0	69.2	317.9	288.3
Experience gain (loss)	(1.7)	1.2	(0.3)	(5.4)	(21.2)	25.3	13.4	4.7	(1.8)	(25.7)	41.6
Strain on sales	(7.0)	(5.0)	(3.4)	(3.0)	(2.5)	(3.3)	(6.0)	(7.0)	(7.9)	(13.9)	(24.2)
Changes in assumptions and management actions	—	(31.9)	—	—	—	17.4	—	—	—	(31.9)	17.4
Total	67.3	45.1	78.0	70.7	52.6	112.4	81.5	69.7	59.5	246.4	323.1
Income on capital <sup>1</sup>	12.7	19.0	28.1	14.2	12.9	21.6	16.6	14.5	11.8	74.2	64.5
Income taxes <sup>1</sup>	(13.5)	(9.5)	(21.6)	(12.3)	(9.5)	(20.8)	(17.0)	(4.8)	(6.0)	(52.9)	(48.6)
Net income (loss) attributed to shareholders	66.5	54.6	84.5	72.6	56.0	113.2	81.1	79.4	65.3	267.7	339.0
Dividends attributed to preferred shares	2.8	2.2	2.4	2.6	2.5	2.7	2.5	2.5	2.6	9.7	10.3
Redemption premium on preferred shares	—	—	—	—	—	—	—	—	—	—	—
Net income (loss) attributed to common shareholders	63.7	52.4	82.1	70.0	53.5	110.5	78.6	76.9	62.7	258.0	328.7
<b>Individual Wealth Management</b>											
Operating profit (loss) <sup>1</sup>											
Expected profit on in-force	49.6	52.4	50.5	45.8	38.1	40.6	38.7	38.6	32.5	186.8	150.4
Experience gain (loss)	4.7	1.2	1.9	5.1	16.9	(1.4)	12.6	20.1	(9.2)	25.1	22.1
Strain on sales	(0.1)	—	—	—	—	—	—	—	(0.1)	—	(0.1)
Changes in assumptions and management actions	—	6.1	—	—	—	5.0	—	—	—	6.1	5.0
Total	54.2	59.7	52.4	50.9	55.0	44.2	51.3	58.7	23.2	218.0	177.4
Income on capital <sup>1</sup>	(1.6)	(3.1)	(3.8)	(1.2)	(1.0)	(5.7)	(1.3)	(1.5)	(0.9)	(9.1)	(9.4)
Income taxes <sup>1</sup>	(12.3)	(15.7)	(13.0)	(12.5)	(14.2)	(8.5)	(12.4)	(17.2)	(11.2)	(55.4)	(49.3)
Net income (loss) attributed to shareholders	40.3	40.9	35.6	37.2	39.8	30.0	37.6	40.0	11.1	153.5	118.7
Dividends attributed to preferred shares	0.8	1.1	0.9	1.1	1.1	1.0	1.1	1.1	1.0	4.2	4.2
Redemption premium on preferred shares	—	—	—	—	—	—	—	—	—	—	—
Net income (loss) attributed to common shareholders	39.5	39.8	34.7	36.1	38.7	29.0	36.5	38.9	10.1	149.3	114.5
<b>Group Insurance</b>											
Operating profit (loss) <sup>1</sup>											
Expected profit on in-force	16.3	20.2	22.5	18.0	13.8	18.6	20.7	17.0	11.5	74.5	67.8
Experience gain (loss)	7.3	4.6	(1.4)	(5.9)	(1.3)	(12.5)	(0.4)	0.4	8.7	(4.0)	(3.8)
Strain on sales	—	—	—	—	—	—	—	—	—	—	—
Changes in assumptions and management actions	—	(2.3)	—	—	—	(1.3)	—	—	—	(2.3)	(1.3)
Total	23.6	22.5	21.1	12.1	12.5	4.8	20.3	17.4	20.2	68.2	62.7
Income on capital <sup>1</sup>	0.6	2.1	3.8	0.8	1.1	(5.4)	2.5	2.4	1.9	7.8	1.4
Income taxes <sup>1</sup>	(5.0)	(6.7)	(6.6)	(3.2)	(3.5)	1.2	(6.0)	(4.7)	(1.2)	(20.0)	(10.7)
Net income (loss) attributed to shareholders	19.2	17.9	18.3	9.7	10.1	0.6	16.8	15.1	20.9	56.0	53.4
Dividends attributed to preferred shares	0.2	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	1.6	1.6
Redemption premium on preferred shares	—	—	—	—	—	—	—	—	—	—	—
Net income (loss) attributed to common shareholders	19.0	17.5	17.9	9.3	9.7	0.2	16.4	14.7	20.5	54.4	51.8

<sup>1</sup> 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)	2018		2017			2016				2017	2016
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual
<b>Group Savings and Retirement</b>											
Operating profit (loss) <sup>1</sup>											
Expected profit on in-force	6.0	6.9	6.9	6.7	6.3	5.7	5.1	5.0	5.0	26.8	20.8
Experience gain (loss)	1.6	1.6	(1.6)	0.8	0.9	(2.7)	1.5	1.8	0.1	1.7	0.7
Strain on sales	0.3	(0.8)	(0.1)	(0.5)	(0.5)	(0.5)	—	—	(2.7)	(1.9)	(3.2)
Changes in assumptions and management actions	—	12.6	—	—	—	9.5	—	—	—	12.6	9.5
Total	7.9	20.3	5.2	7.0	6.7	12.0	6.6	6.8	2.4	39.2	27.8
Income on capital <sup>1</sup>	(0.3)	0.5	0.8	0.3	0.6	—	0.5	0.5	0.4	2.2	1.4
Income taxes <sup>1</sup>	(1.5)	(5.5)	(1.5)	(1.7)	(1.9)	(3.1)	(1.5)	(2.3)	(0.7)	(10.6)	(7.6)
Net income (loss) attributed to shareholders	6.1	15.3	4.5	5.6	5.4	8.9	5.6	5.0	2.1	30.8	21.6
Dividends attributed to preferred shares	—	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4	0.4
Redemption premium on preferred shares	—	—	—	—	—	—	—	—	—	—	—
Net income (loss) attributed to common shareholders	6.1	15.2	4.4	5.5	5.3	8.8	5.5	4.9	2.0	30.4	21.2
<b>US Operations<sup>2</sup></b>											
Operating profit (loss) <sup>1</sup>											
Expected profit on in-force	11.2	8.3	8.4	8.3	8.3	7.9	7.9	7.8	7.9	33.3	31.5
Experience gain (loss)	(1.4)	0.7	(0.8)	1.6	(2.5)	0.8	1.7	1.0	(0.4)	(1.0)	3.1
Strain on sales	(2.9)	(1.8)	(1.8)	(2.0)	(3.2)	(2.8)	(3.7)	(3.7)	(4.5)	(8.8)	(14.7)
Changes in assumptions and management actions	—	1.0	—	—	—	1.1	—	—	—	1.0	1.1
Total	6.9	8.2	5.8	7.9	2.6	7.0	5.9	5.1	3.0	24.5	21.0
Income on capital <sup>1</sup>	6.5	1.6	2.9	2.2	2.2	1.7	2.3	1.6	1.6	8.9	7.2
Income taxes <sup>1</sup>	(2.5)	(1.9)	(2.9)	(3.5)	(1.7)	(2.2)	(0.8)	(2.6)	(1.6)	(10.0)	(7.2)
Net income (loss) attributed to shareholders	10.9	7.9	5.8	6.6	3.1	6.5	7.4	4.1	3.0	23.4	21.0
Dividends attributed to preferred shares	—	—	—	—	—	—	—	—	—	—	—
Redemption premium on preferred shares	—	—	—	—	—	—	—	—	—	—	—
Net income (loss) attributed to common shareholders	10.9	7.9	5.8	6.6	3.1	6.5	7.4	4.1	3.0	23.4	21.0
<b>Total Company</b>											
Operating profit (loss) <sup>1</sup>											
Expected profit on in-force	159.1	168.6	170.0	157.9	142.8	145.8	146.5	140.4	126.1	639.3	558.8
Experience gain (loss)	10.5	9.3	(2.2)	(3.8)	(7.2)	9.5	28.8	28.0	(2.6)	(3.9)	63.7
Strain on sales	(9.7)	(7.6)	(5.3)	(5.5)	(6.2)	(6.6)	(9.7)	(10.7)	(15.2)	(24.6)	(42.2)
Changes in assumptions and management actions	—	(14.5)	—	—	—	31.7	—	—	—	(14.5)	31.7
Total	159.9	155.8	162.5	148.6	129.4	180.4	165.6	157.7	108.3	596.3	612.0
Income on capital <sup>1</sup>	17.9	20.1	31.8	16.3	15.8	12.2	20.6	17.5	14.8	84.0	65.1
Income taxes <sup>1</sup>	(34.8)	(39.3)	(45.6)	(33.2)	(30.8)	(33.4)	(37.7)	(31.6)	(20.7)	(148.9)	(123.4)
Net income (loss) attributed to shareholders	143.0	136.6	148.7	131.7	114.4	159.2	148.5	143.6	102.4	531.4	553.7
Dividends attributed to preferred shares	3.8	3.8	3.8	4.2	4.1	4.2	4.1	4.1	4.1	15.9	16.5
Redemption premium on preferred shares	—	—	—	—	—	—	—	—	—	—	—
Net income (loss) attributed to common shareholders	139.2	132.8	144.9	127.5	110.3	155.0	144.4	139.5	98.3	515.5	537.2

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

<sup>2</sup> As at March 31, 2018, the company presents information relating to its US Operations separately.



**EXPERIENCE AND SPECIFIC ITEMS<sup>1</sup>**

(Earnings per diluted weighted average number of common share)	2018		2017				2016				2017	2016
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual	
<b>Specific gains and losses</b>												
Changes in assumptions and management actions	—	(0.10)	—	—	—	0.22	—	—	—	(0.10)	0.22	
Income tax gain and loss	0.03	—	(0.02)	0.01	—	0.06	—	0.03	—	(0.01)	0.09	
Debtenture and preferred share redemption	—	—	—	—	—	(0.03)	—	—	—	—	(0.03)	
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)	—	
<b>Total</b>	<b>0.03</b>	<b>(0.12)</b>	<b>(0.05)</b>	<b>(0.01)</b>	<b>(0.05)</b>	<b>0.25</b>	<b>—</b>	<b>0.03</b>	<b>—</b>	<b>(0.23)</b>	<b>0.28</b>	
<b>Market-related gains and losses<sup>2</sup></b>												
Increase (decrease) in income on UL policies	(0.05)	0.05	(0.01)	(0.02)	0.02	0.03	0.04	—	(0.04)	0.04	0.03	
Higher (lower) than expected management fees <sup>3</sup>	(0.01)	0.01	(0.01)	—	0.01	—	0.01	0.01	(0.01)	0.01	0.01	
Impact of dynamic hedging	0.02	0.03	0.05	0.04	0.09	(0.01)	0.04	0.10	(0.06)	0.21	0.07	
<b>Total</b>	<b>(0.04)</b>	<b>0.09</b>	<b>0.03</b>	<b>0.02</b>	<b>0.12</b>	<b>0.02</b>	<b>0.09</b>	<b>0.11</b>	<b>(0.11)</b>	<b>0.26</b>	<b>0.11</b>	
<b>Policyholder experience gains and losses<sup>4</sup></b>												
Individual Insurance	0.04	(0.04)	0.01	(0.02)	(0.13)	0.15	0.06	0.03	0.02	(0.18)	0.26	
Individual Wealth Management	0.02	(0.01)	—	0.02	0.03	—	0.04	0.03	—	0.04	0.07	
Group Insurance	0.05	0.03	(0.01)	(0.04)	(0.01)	(0.09)	—	0.01	0.07	(0.03)	(0.01)	
Group Savings and Retirement	0.01	0.01	(0.01)	0.01	0.01	(0.02)	0.01	0.02	—	0.02	0.01	
US Operations	(0.01)	—	(0.01)	0.01	(0.02)	0.01	0.01	0.01	—	(0.02)	0.03	
<b>Total</b>	<b>0.11</b>	<b>(0.01)</b>	<b>(0.02)</b>	<b>(0.02)</b>	<b>(0.12)</b>	<b>0.05</b>	<b>0.12</b>	<b>0.10</b>	<b>0.09</b>	<b>(0.17)</b>	<b>0.36</b>	
<b>Other experience gains and losses</b>												
Strain on sales (in Ind. Insurance and US Operations)	(0.01)	(0.02)	(0.01)	0.02	0.04	0.01	0.01	0.01	—	0.03	0.03	
iA Auto and Home	—	—	0.01	(0.04)	(0.03)	(0.03)	(0.03)	(0.01)	—	(0.06)	(0.07)	
Investment income on capital	0.03	—	0.04	0.02	0.04	—	0.01	0.02	0.03	0.10	0.06	
<b>Total gains and losses</b>	<b>0.12</b>	<b>(0.06)</b>	<b>—</b>	<b>(0.01)</b>	<b>—</b>	<b>0.30</b>	<b>0.20</b>	<b>0.26</b>	<b>0.01</b>	<b>(0.07)</b>	<b>0.77</b>	

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

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

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

<sup>4</sup> All amounts prior to 2018 have been revised to reflect the fact that the US Operations are presented separately.

**REPORTED EPS AND CORE EPS RECONCILIATION**

(Earnings per diluted weighted average number of common share)	2018		2017				2016				2017	2016
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual	
<b>Reported earnings</b>												
Earnings per common share - diluted	1.29	1.24	1.35	1.19	1.03	1.48	1.40	1.35	0.96	4.81	5.19	
Return on common shareholders' equity - trailing 12 months <sup>1</sup>	11.6%	11.4%	12.5%	12.9%	13.4%	13.2%	10.1%	9.4%	9.8%	—	—	
<b>EPS adjustments (non-core items)<sup>1,2</sup></b>												
<b>Specific gains and losses</b>												
Changes in assumptions and management actions	—	0.10	—	—	—	(0.22)	—	—	—	0.10	(0.22)	
Income tax gain and loss	—	—	—	—	—	(0.06)	—	(0.03)	—	—	(0.09)	
Debtenture and preferred share redemption	—	—	—	—	—	0.03	—	—	—	—	0.03	
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)	—	0.22	(0.28)	
<b>Market-related gains and losses</b>	0.04	(0.09)	(0.03)	(0.02)	(0.12)	(0.02)	(0.09)	(0.11)	0.11	(0.26)	(0.11)	
<b>Policyholder experience gains and losses in excess of \$0.04 EPS<sup>3,4</sup></b>												
Individual Insurance	—	—	—	—	0.09	(0.11)	(0.02)	—	—	0.09	(0.13)	
Individual Wealth Management	—	—	—	—	—	—	—	—	—	—	—	
Group Insurance	(0.01)	—	—	—	—	0.05	—	—	(0.03)	—	0.02	
Group Savings and Retirement	—	—	—	—	—	—	—	—	—	—	—	
US Operations	—	—	—	—	—	—	—	—	—	—	—	
Total	(0.01)	—	—	—	0.09	(0.06)	(0.02)	—	(0.03)	0.09	(0.11)	
<b>Other experience gains and losses in excess of \$0.04 EPS<sup>3</sup></b>												
Strain on sales (in Individual Insurance)	—	—	—	—	—	—	—	—	—	—	—	
iA Auto and Home	—	—	—	—	—	—	—	—	—	—	—	
Investment income on capital	—	—	—	—	—	—	—	—	—	—	—	
<b>Total adjustments<sup>4</sup></b>	0.03	0.03	—	—	0.02	(0.33)	(0.11)	(0.14)	0.08	0.05	(0.50)	
<b>Core earnings<sup>1,2,4</sup></b>												
Core earnings per common share - diluted	1.32	1.27	1.35	1.19	1.05	1.15	1.29	1.21	1.04	4.86	4.69	
Core return on common shareholders' equity - trailing 12 months	11.7%	11.5%	11.8%	11.8%	12.0%	11.9%	12.1%	11.9%	12.0%	—	—	

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

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

<sup>3</sup> Applied on a quarterly basis.

<sup>4</sup> All amounts prior to 2018 have been revised to reflect the fact that the US Operations are presented separately.

**BUSINESS GROWTH**

	2018					2017				2016				2017	2016
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual				
<i>(In millions of dollars, unless otherwise indicated)</i>															
<b>Individual Insurance</b>															
Sales <sup>1</sup>															
Minimum Premiums	41.0	46.2	40.5	43.0	40.5	62.6	46.7	43.2	33.9	170.2	186.4				
Excess Premiums	5.7	6.6	6.2	5.0	6.0	8.8	3.6	5.2	8.1	23.8	25.7				
Total	46.7	52.8	46.7	48.0	46.5	71.4	50.3	48.4	42.0	194.0	212.1				
Net premiums	391.8	394.7	363.8	371.8	362.2	383.9	342.8	349.8	347.1	1,492.5	1,423.6				
<b>Individual Wealth Management</b>															
Sales <sup>1</sup>															
General fund	109.7	83.7	66.6	74.4	91.8	71.0	82.6	82.9	56.3	316.5	292.8				
Segregated funds	617.6	451.9	423.2	453.8	554.5	383.2	370.2	352.1	454.1	1,883.4	1,559.6				
Mutual funds	670.1	559.7	461.8	560.1	783.8	535.4	336.9	316.7	285.3	2,365.4	1,474.3				
Total	1,397.4	1,095.3	951.6	1,088.3	1,430.1	989.6	789.7	751.7	795.7	4,565.3	3,326.7				
Net investment fund sales <sup>1</sup>															
Segregated funds	219.7	101.9	113.3	130.0	164.7	74.1	71.6	53.4	142.6	509.9	341.7				
Mutual funds	45.8	30.7	21.6	76.9	200.0	77.2	(69.1)	(121.3)	(291.2)	329.2	(404.4)				
Total	265.5	132.6	134.9	206.9	364.7	151.3	2.5	(67.9)	(148.6)	839.1	(62.7)				
Assets under management															
General fund	1,217.5	1,191.1	1,164.7	1,173.8	1,166.3	1,140.0	1,130.3	1,080.6	1,045.6	1,191.1	1,140.0				
Segregated funds	14,426.6	14,466.2	13,963.2	13,819.7	13,746.2	13,347.7	13,126.3	12,706.3	12,398.3	14,466.2	13,347.7				
Mutual funds	11,503.3	11,723.2	11,446.0	11,356.9	11,314.3	10,937.5	10,518.1	10,214.1	10,144.2	11,723.2	10,937.5				
Other	4,271.9	4,345.9	4,131.9	4,062.4	4,071.9	3,998.3	3,878.4	3,969.4	3,707.6	4,345.9	3,998.3				
Total	31,419.3	31,726.4	30,705.8	30,412.8	30,298.7	29,423.5	28,653.1	27,970.4	27,295.7	31,726.4	29,423.5				
Assets under administration <sup>2</sup>															
Total	78,487.9	79,300.4	76,421.5	44,011.7	42,833.6	41,354.5	40,696.2	38,844.4	37,508.9	79,300.4	41,354.5				
Total	109,907.2	111,026.8	107,127.3	74,424.5	73,132.3	70,778.0	69,349.3	66,814.8	64,804.6	111,026.8	70,778.0				
<b>Group Insurance</b>															
Sales <sup>1</sup>															
Employee Plans	19.5	7.2	35.4	28.9	35.8	23.1	13.1	17.1	17.9	107.3	71.2				
Dealer Services - Creditor Insurance <sup>3</sup>	72.3	99.0	120.3	106.4	75.7	85.5	109.7	101.6	66.2	401.4	363.0				
Dealer Services - P&C	49.9	49.0	66.1	71.8	46.5	43.8	55.6	58.0	39.5	233.4	196.9				
Special Markets Solutions	65.0	79.1	54.1	43.5	54.5	59.8	42.9	40.6	50.8	231.2	194.1				
Total sales	206.7	234.3	275.9	250.6	212.5	212.2	221.3	217.3	174.4	973.3	825.2				

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

<sup>2</sup> Includes assets related to affiliated dealers.

<sup>3</sup> Includes all creditor insurance business sold by the Company.

**BUSINESS GROWTH (continued)**

	2018		2017			2016				2017	2016
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual
<i>(In millions of dollars, unless otherwise indicated)</i>											
<b>Group Insurance (continued)</b>											
Net premiums and premium equivalents											
Employee Plans	238.5	237.2	224.7	222.7	222.2	214.0	211.7	209.6	209.1	906.8	844.4
Dealer Services - Creditor Insurance	43.3	66.3	84.6	71.5	41.9	51.3	67.6	72.6	41.7	264.3	233.2
Dealer Services - P&C	31.4	36.5	30.5	28.4	24.6	26.4	22.4	24.1	21.9	120.0	94.8
Special Markets Solutions	61.2	75.4	50.4	39.7	50.9	56.3	39.0	37.1	47.6	216.4	180.0
Total net premiums	374.4	415.4	390.2	362.3	339.6	348.0	340.7	343.4	320.3	1,507.5	1,352.4
Premium equivalents and deposits											
Administrative services only contracts (ASO)	15.9	13.9	13.0	13.4	13.6	10.8	10.3	11.2	12.7	53.9	45.0
Investment contracts	32.2	15.5	14.9	11.0	18.6	19.6	17.9	19.0	17.8	60.0	74.3
Total	422.5	444.8	418.1	386.7	371.8	378.4	368.9	373.6	350.8	1,621.4	1,471.7
Car loans <sup>1</sup>											
Dealer Services - Loan originations <sup>2</sup>	74.4	62.2	64.9	65.6	85.9	93.9	100.6	115.8	80.8	278.6	391.1
Dealer Services - Finance receivables <sup>2</sup>	584.6	568.1	562.3	553.3	545.2	505.0	467.4	416.7	343.5	568.1	505.0
<b>Group Savings and Retirement</b>											
Sales <sup>2</sup>											
Accumulation contracts											
General fund	14.8	8.3	10.2	19.1	10.6	9.6	11.3	9.6	14.1	48.2	44.6
Segregated funds	346.4	264.6	287.4	352.4	415.3	339.4	409.0	291.2	250.7	1,319.7	1,290.3
Total	361.2	272.9	297.6	371.5	425.9	349.0	420.3	300.8	264.8	1,367.9	1,334.9
Insured annuities (general fund)	164.9	45.9	1.6	42.8	31.9	5.5	0.3	20.1	59.2	122.2	85.1
Deposits	9.2	15.9	10.0	11.7	17.4	12.7	34.5	4.3	9.9	55.0	61.4
Total sales	535.3	334.7	309.2	426.0	475.2	367.2	455.1	325.2	333.9	1,545.1	1,481.4
Net premiums and deposits											
Net premiums	519.8	312.4	292.7	407.7	451.1	347.9	413.8	314.0	317.9	1,463.9	1,393.6
Deposits	9.2	15.9	10.0	11.7	17.4	12.7	34.5	4.3	9.9	55.0	61.4
Total	529.0	328.3	302.7	419.4	468.5	360.6	448.3	318.3	327.8	1,518.9	1,455.0
Assets under management											
Accumulation contracts											
General fund	215.9	220.2	233.1	231.2	234.5	237.7	242.6	235.8	233.0	220.2	237.7
Segregated funds	9,673.5	9,650.8	9,243.9	9,122.3	8,917.9	8,478.1	8,385.0	7,928.6	7,609.2	9,650.8	8,478.1
Other	831.4	836.9	825.1	825.3	823.9	801.9	841.7	816.7	834.8	836.9	801.9
Total	10,720.8	10,707.9	10,302.1	10,178.8	9,976.3	9,517.7	9,469.3	8,981.1	8,677.0	10,707.9	9,517.7
Insured annuities (general fund)	3,370.5	3,246.6	3,183.4	3,276.5	3,217.0	3,196.0	3,325.2	3,326.9	3,274.5	3,246.6	3,196.0
Total	14,091.3	13,954.5	13,485.5	13,455.3	13,193.3	12,713.7	12,794.5	12,308.0	11,951.5	13,945.5	12,713.7

<sup>1</sup> Includes all car loans (prime and non-prime).

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

**BUSINESS GROWTH (continued)**

<i>(In millions of dollars, unless otherwise indicated)</i>	2018		2017			2016				2017	206
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual
<b>US Operations<sup>1</sup></b>											
Sales (\$US)											
Individual Insurance	17.3	17.5	17.7	20.0	17.7	16.6	19.0	19.1	17.0	72.9	71.7
Dealer Services - P&C <sup>2</sup>	88.1	—	—	—	—	—	—	—	—	—	—
Sales (\$CAN)											
Individual Insurance	21.8	22.1	22.1	26.9	23.4	22.2	24.8	24.6	23.4	94.5	95.0
Dealer Services - P&C <sup>2</sup>	111.3	—	—	—	—	—	—	—	—	—	—
Net Premiums (\$CAN)											
Individual Insurance	81.0	79.5	75.5	79.9	74.9	73.3	67.5	66.7	67.5	309.8	275.0
Dealer Services - P&C <sup>2</sup>	20.5	—	—	—	—	—	—	—	—	—	—
Total	101.5	79.5	75.5	79.9	74.9	73.3	67.5	66.7	67.5	309.8	275.0
<b>General Insurance</b>											
Sales <sup>3</sup>											
iAAH (Auto & Home)	62.2	64.2	82.5	102.7	59.4	59.4	74.9	91.6	52.7	308.8	278.6
<b>Net premiums, premium equivalents and deposits by line of business</b>											
Individual Insurance	391.8	394.7	363.8	371.8	362.2	383.9	342.8	349.8	347.1	1,492.5	1,423.6
Individual Wealth Management	1,397.4	1,095.3	951.6	1,088.3	1,430.1	989.6	789.7	751.7	795.7	4,565.3	3,326.7
Group Insurance	422.5	444.8	418.1	386.7	371.8	378.4	368.9	373.6	350.8	1,621.4	1,471.7
Group Savings and Retirement	529.0	328.3	302.7	419.4	468.5	360.6	448.3	318.3	327.8	1,518.9	1,455.0
US Operations	101.5	79.5	75.5	79.9	74.9	73.3	67.5	66.7	67.5	309.8	275.0
General Insurance <sup>4</sup>	71.7	72.8	72.1	68.9	66.7	66.6	63.2	61.0	59.7	280.5	250.5
Total	2,913.9	2,415.4	2,183.8	2,415.0	2,774.2	2,252.4	2,080.4	1,921.1	1,948.6	9,788.4	8,202.5
<b>Distribution of net premiums, premium equivalents and deposits by region</b>											
Atlantic provinces	3.9%	4.1%	4.3%	4.2%	3.6%	4.1%	3.5%	4.2%	4.7%	4.0%	4.1%
Quebec	39.2%	36.2%	38.2%	40.0%	39.0%	38.6%	43.0%	42.8%	46.3%	38.4%	42.5%
Ontario	26.5%	29.2%	29.1%	27.2%	30.1%	30.1%	26.1%	28.0%	27.0%	29.0%	27.9%
Western provinces	26.9%	27.2%	24.9%	25.2%	24.6%	23.9%	24.1%	21.5%	18.4%	25.4%	22.1%
Outside Canada	3.5%	3.3%	3.5%	3.4%	2.7%	3.3%	3.3%	3.5%	3.6%	3.2%	3.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Assets under management and administration</b>											
Assets under management											
General fund	39,160.4	37,789.4	37,146.2	37,001.8	36,329.6	35,223.8	37,109.5	35,971.9	34,375.0	37,789.4	35,223.8
Segregated funds	24,100.1	24,117.0	23,207.1	22,942.0	22,664.1	21,825.8	21,511.3	20,634.9	20,007.5	24,117.0	21,825.8
Mutual funds	11,503.3	11,723.2	11,446.0	11,356.9	11,314.3	10,937.5	10,518.1	10,214.1	10,144.2	11,723.2	10,937.5
Other <sup>5</sup>	14,964.2	15,123.1	15,114.7	16,856.1	17,006.3	16,859.9	16,365.1	16,172.0	15,613.2	15,123.1	16,859.9
Total	89,728.0	88,752.7	86,914.0	88,156.8	87,314.3	84,847.0	85,504.0	82,992.9	80,139.9	88,752.7	84,847.0
Assets under administration	79,923.6	80,787.1	77,899.5	44,047.0	42,870.3	41,387.2	40,734.3	38,884.1	37,547.2	80,787.1	41,387.2
Total	169,651.6	169,539.8	164,813.5	132,203.8	130,184.6	126,234.2	126,238.3	121,877.0	117,687.1	169,539.8	126,234.2
<b>Human resources</b>											
Number of employees	6,548	6,115	6,009	5,775	5,563	5,350	5,339	5,321	5,282	6,115	5,350
Number of Career representatives	2,200	2,270	2,203	2,229	2,223	2,157	2,014	2,038	1,952	2,270	2,157

<sup>1</sup> As at March 31, 2018, the company presents information relating to its US Operations separately.

<sup>2</sup> Data first presented in Q1-2018 as Helios Financial Corporation which owns Dealers Assurance Company and Southwest Reinsure Inc. (collectively "DAC") was acquired on January 23, 2018.

<sup>3</sup> Non-IFRS measures. See glossary at the end of this document for definitions.

<sup>4</sup> Includes iAAuto and Home premiums, other activities that have no link with key segments and some minor consolidation adjustments.

<sup>5</sup> Mainly assets managed for third parties.

**INVESTED ASSETS**

<i>(In millions of dollars, unless otherwise indicated)</i>	2018		2017			2016			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Value and distribution of investments</b>									
Book value of investment portfolio	33,992.4	33,821.9	32,368.5	32,656.4	31,593.2	31,090.9	32,491.3	31,435.4	29,738.3
Distribution of investments by financial instrument category									
Available for sale	12.6%	12.0%	12.2%	12.4%	13.3%	13.4%	12.8%	11.7%	12.5%
Fair value through profit or loss (FVTPL)	62.8%	63.1%	62.3%	62.7%	61.2%	60.7%	62.5%	63.1%	61.6%
Loans and receivables	19.7%	20.0%	20.8%	20.3%	20.8%	21.0%	20.1%	20.4%	21.1%
Investment properties	4.0%	4.0%	3.8%	3.8%	3.9%	4.0%	3.8%	4.0%	4.1%
Other	0.9%	0.9%	0.9%	0.8%	0.8%	0.9%	0.8%	0.8%	0.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Distribution of investments by asset category									
Bonds	69.2%	67.8%	67.7%	68.5%	68.5%	67.9%	67.1%	66.9%	66.4%
Stocks	9.9%	10.3%	10.1%	10.0%	9.9%	9.9%	9.5%	9.4%	9.6%
Mortgages and other loans	9.7%	9.7%	10.1%	10.0%	10.5%	10.6%	10.1%	10.5%	10.9%
Investment properties	4.0%	4.0%	3.8%	3.8%	3.9%	4.0%	3.8%	4.0%	4.1%
Policy loans	2.7%	2.8%	2.9%	2.9%	3.0%	3.0%	2.8%	2.9%	3.0%
Cash and short-term investments	2.7%	3.4%	3.8%	3.0%	2.6%	2.9%	3.9%	3.1%	3.0%
Other <sup>1</sup>	1.8%	2.0%	1.6%	1.8%	1.6%	1.7%	2.8%	3.2%	3.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Distribution of investments by region									
Atlantic provinces	3.1%	3.2%	3.4%	3.4%	3.5%	3.5%	3.9%	3.8%	3.9%
Quebec	28.8%	29.7%	30.5%	31.4%	32.5%	33.4%	34.2%	33.6%	33.6%
Ontario	32.1%	31.8%	31.7%	31.3%	29.5%	28.8%	28.3%	29.7%	29.6%
Western provinces	18.3%	18.4%	18.0%	17.5%	18.6%	17.6%	17.3%	16.6%	16.7%
Outside Canada	17.7%	16.9%	16.4%	16.4%	15.9%	16.7%	16.4%	16.3%	16.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.1%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Impaired investments and provisions</b>									
Gross impaired investments (excluding insured loans)	27.3	30.9	31.1	31.5	31.6	29.0	17.8	17.5	17.5
Provisions for impaired investments (specific)	6.9	7.5	5.6	5.6	5.7	5.6	5.1	4.8	4.8
As a % of gross impaired investments	25.3%	24.3%	18.0%	17.8%	18.0%	19.3%	28.7%	27.4%	27.4%
Net impaired investments (excluding insured loans)									
Bonds	15.1	15.1	16.8	16.8	16.9	16.9	6.0	6.0	6.0
Mortgages and other loans	5.3	8.3	8.7	9.1	9.0	6.5	6.7	6.7	6.7
<b>Total</b>	<b>20.4</b>	<b>23.4</b>	<b>25.5</b>	<b>25.9</b>	<b>25.9</b>	<b>23.4</b>	<b>12.7</b>	<b>12.7</b>	<b>12.7</b>
Net impaired investments as a % of investment portfolio	0.06%	0.07%	0.08%	0.08%	0.08%	0.08%	0.04%	0.04%	0.04%
Provisions for losses (collective and specific)									
At beginning of period	13.9	11.8	10.7	10.9	10.1	8.8	8.5	5.8	6.6
Increase for the period	5.7	7.4	5.4	4.2	5.3	6.5	4.0	6.4	3.0
Decrease for the period	(6.2)	(5.3)	(4.3)	(4.4)	(4.5)	(5.2)	(3.7)	(3.7)	(3.8)
At end of period	<b>13.4</b>	<b>13.9</b>	<b>11.8</b>	<b>10.7</b>	<b>10.9</b>	<b>10.1</b>	<b>8.8</b>	<b>8.5</b>	<b>5.8</b>
Provisions for losses by type of investment (collective and specific)									
Bonds	5.7	5.7	4.1	4.1	4.1	4.1	3.5	3.5	3.5
Mortgages	1.0	1.8	1.5	1.5	1.5	1.5	1.2	1.2	1.2
Car loans	6.7	6.4	6.2	5.1	5.3	4.5	4.1	3.8	1.1
<b>Total</b>	<b>13.4</b>	<b>13.9</b>	<b>11.8</b>	<b>10.7</b>	<b>10.9</b>	<b>10.1</b>	<b>8.8</b>	<b>8.5</b>	<b>5.8</b>
Other quality measure									
Car loans - Average credit loss rate (trailing 12 months) <sup>2</sup>	3.4%	3.2%	3.1%	3.2%	3.3%	3.5%	3.5%	—	—

<sup>1</sup> In 2017, one item in "Other invested assets" was reclassified under "Other assets" on the balance sheet.

<sup>2</sup> 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.

<b>INVESTED ASSETS (continued)</b>									
	<b>2018</b>		<b>2017</b>			<b>2016</b>			
<i>(In millions of dollars, unless otherwise indicated)</i>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>
<b>Real estate acquired to settle loans</b>									
Real estate held for resale	4.6	10.2	10.1	10.5	10.8	10.9	10.6	10.5	10.5
<b>Bonds</b>									
Book value of the bond portfolio	23,514.4	22,944.1	21,935.5	22,338.0	21,604.9	21,086.8	21,833.8	21,039.6	19,724.6
Distribution by financial instrument category									
Available for sale	16.3%	15.8%	16.1%	16.5%	17.6%	18.1%	17.5%	16.1%	17.1%
Fair value through profit or loss (FVTPL)	74.9%	75.3%	74.6%	74.6%	73.2%	72.5%	73.3%	74.6%	73.3%
Loans and receivables	8.8%	8.9%	9.3%	8.9%	9.2%	9.4%	9.2%	9.3%	9.6%
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	5.70%	4.85%	4.41%	4.83%	3.94%	5.08%	3.77%	3.34%	4.84%
Rating - AA	33.81%	34.19%	33.76%	32.44%	31.05%	29.35%	28.55%	30.74%	29.94%
Rating - A	43.19%	43.63%	43.73%	44.39%	46.97%	47.85%	49.61%	48.83%	48.40%
Rating - BBB	16.44%	16.34%	17.25%	17.68%	17.36%	16.96%	17.41%	16.40%	16.17%
Rating - BB and lower	0.86%	0.99%	0.85%	0.66%	0.68%	0.76%	0.66%	0.69%	0.65%
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	51.5%	52.0%	50.7%	50.5%	51.2%	51.4%	51.3%	52.0%	51.3%
Municipalities	4.9%	5.0%	4.9%	4.7%	4.5%	4.4%	4.8%	5.0%	5.1%
Corporates - Public issues	26.7%	26.1%	26.7%	27.4%	27.1%	26.2%	26.0%	25.1%	25.1%
Corporates - Private issues	16.9%	16.9%	17.7%	17.4%	17.2%	18.0%	17.9%	17.9%	18.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Mortgages and other loans</b>									
Book value of mortgage and other loans portfolio	3,304.8	3,288.1	3,255.2	3,277.3	3,311.5	3,292.3	3,265.7	3,286.2	3,253.6
Book value of mortgages	2,719.5	2,718.5	2,690.3	2,718.9	2,761.6	2,776.5	2,795.0	2,867.0	2,907.4
Book value of other loans	585.3	569.6	564.9	558.4	549.9	515.8	470.7	419.2	346.2
Distribution by financial instrument category									
Held for trading	2.0%	1.9%	1.9%	1.7%	1.6%	1.7%	1.7%	1.9%	1.7%
Loans and receivables	98.0%	98.1%	98.1%	98.3%	98.4%	98.3%	98.3%	98.1%	98.3%
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	35.2%	35.5%	35.7%	34.8%	33.0%	32.2%	31.1%	30.5%	29.4%
Multi-residential	57.2%	56.7%	56.0%	56.5%	55.7%	56.1%	56.7%	56.8%	57.5%
Non-residential	7.6%	7.8%	8.3%	8.7%	11.3%	11.7%	12.2%	12.7%	13.1%
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	76.8%	78.1%	78.1%	78.7%	77.3%	77.1%	76.5%	75.7%	75.2%
Conventional	23.2%	21.9%	21.9%	21.3%	22.7%	22.9%	23.5%	24.3%	24.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

<b>INVESTED ASSETS (continued)</b>									
<i>(In millions of dollars, unless otherwise indicated)</i>	<b>2018</b>	<b>2017</b>				<b>2016</b>			
	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>
<b>Mortgages</b>									
Other quality measures									
Delinquency rate <sup>1</sup>									
Insured loans	0.14%	0.13%	0.13%	0.14%	0.15%	0.02%	0.03%	0.02%	0.03%
Conventional loans	0.36%	1.10%	1.10%	1.24%	1.10%	1.10%	1.04%	1.03%	1.00%
Total	0.19%	0.34%	0.34%	0.37%	0.37%	0.27%	0.27%	0.26%	0.27%
Delinquency rate, including real estate acquired to settle loans	0.36%	0.71%	0.72%	0.76%	0.76%	0.66%	0.65%	0.63%	0.63%
<b>Stocks</b>									
Book value of the stock portfolio	3,378.9	3,467.0	3,271.0	3,278.5	3,139.9	3,083.0	3,072.6	2,959.4	2,866.5
Distribution by financial instrument category									
Available for sale	12.7%	12.8%	12.4%	11.7%	13.1%	11.8%	10.4%	10.2%	11.4%
Fair value through profit or loss (FVTPL)	87.3%	87.2%	87.6%	88.3%	86.9%	88.2%	89.6%	89.8%	88.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Distribution by category									
Common	54.3%	53.7%	52.5%	52.0%	51.9%	52.3%	53.2%	53.5%	54.1%
Preferred	18.3%	18.3%	19.3%	18.7%	20.0%	19.7%	17.7%	17.8%	19.8%
Market indices	13.8%	14.3%	14.0%	15.2%	13.5%	13.7%	14.9%	14.5%	11.9%
Investment fund units and other	13.6%	13.7%	14.2%	14.1%	14.6%	14.3%	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	57.8%	57.2%	56.3%	56.9%	53.3%	54.4%	56.1%	56.1%	54.4%
Backing UL accounts	25.4%	25.8%	26.7%	26.4%	27.5%	27.7%	27.4%	27.5%	27.3%
Backing capital	16.8%	17.0%	17.0%	16.7%	19.2%	17.9%	16.5%	16.4%	18.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Real estate</b>									
Investment properties	1,343.0	1,340.8	1,228.2	1,249.8	1,236.0	1,237.8	1,250.4	1,252.8	1,211.8
Linearization of rents	13.8	13.0	11.6	11.1	10.7	10.1	10.5	9.8	9.3
Fair value of investment properties	1,356.8	1,353.8	1,239.8	1,260.9	1,246.7	1,247.9	1,260.9	1,262.6	1,221.1
Occupancy rate on investment properties	92.0%	93.0%	89.0%	92.0%	89.5%	90.2%	89.4%	89.4%	89.6%
<b>Other</b>									
Provision for potential loss on fixed-income securities contained in the policy liabilities	328.7	335.7	323.3	361.0	327.4	326.6	324.0	340.3	298.8

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



**SOLVENCY AND CAPITALIZATION**

	2018		2017			2016			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<i>(In millions of dollars, unless otherwise indicated)</i>									
<b>Capital structure</b>									
Debentures	1,000.4	996.3	996.1	995.8	995.6	995.3	1,244.4	846.3	846.2
Participating policyholders' accounts	41.5	41.0	39.4	39.3	39.3	39.0	45.7	45.4	45.1
Equity									
Common shares	1,668.0	1,520.9	1,512.9	1,511.4	1,505.5	1,498.8	1,328.5	1,315.0	1,312.5
Preferred shares	525.0	375.0	375.0	375.0	375.0	375.0	375.0	375.0	375.0
Contributed surplus	20.1	19.5	19.7	18.7	18.5	18.5	21.1	22.6	22.0
Retained earnings	3,213.2	3,130.8	3,052.4	2,908.9	2,848.0	2,793.2	2,546.3	2,458.7	2,370.4
Accumulated other comprehensive income	36.7	48.9	27.4	62.0	81.4	40.1	79.1	61.9	34.8
Total shareholders' equity	5,463.0	5,095.1	4,987.4	4,876.0	4,828.4	4,725.6	4,350.0	4,233.2	4,114.7
Total capital structure	6,504.9	6,132.4	6,022.9	5,911.1	5,863.3	5,759.9	5,640.1	5,124.9	5,006.0
<b>Debt measures</b>									
Debentures/capital structure	15.4%	16.2%	16.5%	16.8%	17.0%	17.3%	22.1%	16.5%	16.9%
Debentures and preferred shares/capital structure	23.5%	22.4%	22.8%	23.2%	23.4%	23.8%	28.7%	23.8%	24.4%
Coverage ratio (in number of times) <sup>1</sup>	14.1	13.3	12.7	12.5	13.0	12.8	10.3	9.5	8.6
<b>Credit ratings</b>									
	<b>Standard &amp; Poor's</b>				<b>DBRS</b>		<b>A.M. Best</b>		
Financial Strength	A+				A (high)		A+ (Superior)		
Debentures	A				A		a		
Preferred Shares	A-				Pfd-2 (high)		a-		

<sup>1</sup> 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>	2018		2017			2016			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Solvency ratio CARL<sup>1,2</sup></b>									
Available capital									
Tier 1 Capital:									
Common shares	1,668.0	1,520.9	—	—	—	—	—	—	—
Preferred shares	525.0	375.0	—	—	—	—	—	—	—
Other Tier 1 capital instruments	—	—	—	—	—	—	—	—	—
Adjusted Retained Earnings	3,204.5	3,125.5	—	—	—	—	—	—	—
Other	101.8	107.9	—	—	—	—	—	—	—
Gross Tier 1	5,499.3	5,129.3	—	—	—	—	—	—	—
Deductions for Goodwill and Other intangibles assets	(1,120.1)	(853.9)	—	—	—	—	—	—	—
Other Tier 1 Deductions	(1,232.6)	(1,165.3)	—	—	—	—	—	—	—
Tier 1	3,146.6	3,110.1	—	—	—	—	—	—	—
Tier 2 Capital									
Subordinated debt	996.6	996.3	—	—	—	—	—	—	—
Other Tier 2 capital instruments	—	—	—	—	—	—	—	—	—
Other	634.5	612.9	—	—	—	—	—	—	—
Gross Tier 2	1,631.1	1,609.2	—	—	—	—	—	—	—
Tier 2 Deductions	(256.2)	(197.1)	—	—	—	—	—	—	—
Tier 2	1,374.9	1,412.1	—	—	—	—	—	—	—
Available capital	4,521.5	4,522.2	—	—	—	—	—	—	—
Surplus Allowance and Eligible Deposits	4,066.7	4,157.9	—	—	—	—	—	—	—
Base Solvency Buffer									
Credit Risk	847.3	822.7	—	—	—	—	—	—	—
Market Risk	2,707.9	2,870.8	—	—	—	—	—	—	—
Insurance Risk	3,339.6	3,303.8	—	—	—	—	—	—	—
Segregated Fund Guarantees Risk	449.6	442.9	—	—	—	—	—	—	—
Operational Risk	527.3	533.2	—	—	—	—	—	—	—
Diversification and Other Credits	(1,102.7)	(1,105.9)	—	—	—	—	—	—	—
Base Solvency Buffer <sup>3</sup>	7,107.5	7,210.9	—	—	—	—	—	—	—
Total Ratio	121%	120%	—	—	—	—	—	—	—

<sup>1</sup> Non-IFRS measures. See glossary at the end of this document for definition.

<sup>2</sup> New capital regime effective as at January 1, 2018. The AMF capital guideline is comparable to OSFI's LICAT.

<sup>3</sup> Including the scalar of 1.05

**SOLVENCY AND CAPITALIZATION (continued)**

	2018		2017			2016			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<i>(In millions of dollars, unless otherwise indicated)</i>									
<b>Solvency ratio CAR<sup>1,2</sup></b>									
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
Preferred shares	—	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
Other	—	(127.3)	62.3	65.1	80.4	64.0	35.9	25.3	15.7
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
Less:									
Goodwill and other intangible assets	—	1,157.8	1,147.3	867.6	847.6	841.9	818.5	843.1	829.8
Adjustment for intangible assets	—	(245.3)	(250.5)	(243.4)	(240.9)	(237.0)	(214.8)	(209.2)	(204.4)
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
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
Less: deductions and adjustments	—	123.7	113.3	83.6	79.8	77.0	78.8	76.5	68.9
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
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
Other (Tier 2A and Tier 2C)	—	281.5	144.4	151.3	113.4	84.3	193.2	173.7	157.9
Less: deductions	—	123.7	113.3	83.6	79.8	77.0	78.8	76.5	68.9
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
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
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
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
Insurance risk	—	744.9	790.5	803.9	776.5	764.5	801.4	782.8	747.8
Interest rate risk	—	414.1	382.1	389.2	371.2	361.5	379.6	368.2	348.0
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
Solvency ratio	—	209%	213%	220%	222%	225%	218%	199%	205%

<sup>1</sup> Non-IFRS measures. See glossary at the end of this document for definition.

<sup>2</sup> Capital regime in effect until December 31, 2017. The AMF capital guideline is comparable to OSFI's MCCSR.

**MACROECONOMIC SENSITIVITY<sup>1</sup>**

	2018		2017			2016			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Equity Market Sensitivity</b>									
Reference index (S&P/TSX Index (in points)) <sup>2</sup>	15,367	16,209	15,635	15,182	15,548	15,288	14,726	14,065	13,494
Level of S&P/TSX before reserves require strengthening for future policy benefits (in points) <sup>3</sup>	11,400	11,300	11,700	11,400	11,300	11,400	10,000	9,800	9,600
Variation	(26%)	(30%)	(25%)	(25%)	(27%)	(25%)	(32%)	(30%)	(29%)
Solvency ratio (CAR <sup>3</sup> ) <sup>1</sup>	—	209%	213%	220%	222%	225%	218%	199 %	205 %
Level of S&P/TSX at which solvency ratio would be 175% (in points) <sup>4</sup>	—	8,600	8,400	7,800	7,700	7,400	7,300	8,600	8,200
Variation	—	(47%)	(46%)	(49%)	(50%)	(52%)	(50%)	(39%)	(39%)
Level of S&P/TSX at which solvency ratio would be 150% (in points) <sup>4</sup>	—	6,700	6,400	5,800	5,700	5,600	5,800	6,800	6,500
Variation	—	(59%)	(59%)	(62%)	(63%)	(63%)	(61%)	(52%)	(52%)
Solvency ratio (CARLI <sup>5</sup> ) <sup>1</sup>	121 %	—	—	—	—	—	—	—	—
Level of S&P/TSX at which solvency ratio would be 112% (in points) <sup>4</sup>	9,400	—	—	—	—	—	—	—	—
Variation	(39%)	—	—	—	—	—	—	—	—
Level of S&P/TSX at which solvency ratio would be 100% (in points) <sup>4</sup>	6,000	—	—	—	—	—	—	—	—
Variation	(61%)	—	—	—	—	—	—	—	—
Impact on Solvency ratio (CARLI <sup>5</sup> ) <sup>1</sup> of a sudden change in equity markets									
30% increase	5%	—	—	—	—	—	—	—	—
20% increase	4%	—	—	—	—	—	—	—	—
10% increase	1%	—	—	—	—	—	—	—	—
10% decrease	—	—	—	—	—	—	—	—	—
20% decrease	(1%)	—	—	—	—	—	—	—	—
30% decrease	(4%)	—	—	—	—	—	—	—	—
Impact on net income to common shareholders of a sudden 10% decrease in equity markets (in \$M) <sup>6</sup>									
	(31)	(32)	(30)	(29)	(29)	(28)	(29)	(28)	(27)
<b>Interest Rate Sensitivity</b>									
Impact on net income (in \$M)									
10 bps decrease in initial reinvestment rate (IRR)	(13)	(18)	(15)	(23)	(23)	(24)	(25)	(31)	(27)
10 bps decrease in ultimate reinvestment rate (URR)	(70)	(71)	(61)	(65)	(62)	(62)	(66)	(65)	(59)
<b>Total</b>	<b>(83)</b>	<b>(89)</b>	<b>(76)</b>	<b>(88)</b>	<b>(85)</b>	<b>(86)</b>	<b>(91)</b>	<b>(96)</b>	<b>(86)</b>
Impact on Solvency ratio (CARLI <sup>5</sup> ) of a sudden change in interest rate <sup>7</sup>									
50 bps increase	1%	—	—	—	—	—	—	—	—
25 bps increase	—	—	—	—	—	—	—	—	—
25 bps decrease	—	—	—	—	—	—	—	—	—
50 bps decrease	—	—	—	—	—	—	—	—	—

\*Note: Actual results can differ significantly from the estimates presented in this page for a variety of reasons. See the Management Discussion and Analysis document for more details.

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

<sup>2</sup> S&P/TSX is a proxy that can move differently than our equity portfolio, which includes international public equity and private equity.

<sup>3</sup> Capital regime in effect until December 31, 2017. The AMF capital guideline is comparable to OSFI's MCCR.

<sup>4</sup> Compared to actual levels of the index on the dates shown.

<sup>5</sup> New capital regime effective as at January 1, 2018. The AMF capital guideline is comparable to OSFI's LICAT.

<sup>6</sup> Impact on net income on a full-year basis.

<sup>7</sup> Interest rate variation represents an immediate parallel change in interest rates (entire yield curve), at quarter-end.

**SHARE INFORMATION**

	2018		2017			2016				2017	2016
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual
<i>(In millions of dollars, unless otherwise indicated)</i>											
<b>Common shares</b>											
Share price											
High	\$62.01	\$61.73	\$58.37	\$58.68	\$59.41	\$58.05	\$48.38	\$43.30	\$43.83	\$61.73	\$58.05
Low	\$51.34	\$55.90	\$51.82	\$48.74	\$53.10	\$46.84	\$39.26	\$38.47	\$35.00	\$48.74	\$35.00
Close	\$53.00	\$59.82	\$56.50	\$56.26	\$57.63	\$53.39	\$47.23	\$40.61	\$39.20	\$59.82	\$53.39
Average share price	\$56.21	\$59.04	\$55.42	\$54.01	\$56.55	\$53.44	\$45.18	\$41.04	\$38.62	\$55.98	\$44.84
Number of common shares outstanding (in millions)											
At beginning of period	106.8	106.6	106.5	106.4	106.2	102.9	102.6	102.5	102.4	106.2	102.4
Common shares issued <sup>1</sup>	2.8	0.2	0.1	0.1	0.2	3.3	0.3	0.1	0.1	0.6	3.8
Common shares repurchased and cancelled	—	—	—	—	—	—	—	—	—	—	—
At end of period	109.6	106.8	106.6	106.5	106.4	106.2	102.9	102.6	102.5	106.8	106.2
Weighted average number of common shares (in millions)											
Basic	107.5	106.6	106.5	106.4	106.2	103.5	102.7	102.5	102.5	106.5	102.8
Diluted	108.2	107.5	107.3	107.2	107.2	104.5	103.3	103.0	102.9	107.3	103.4
<b>Dividends</b>											
Common dividends paid	40.6	40.6	37.3	37.2	37.2	33.0	32.8	32.8	30.8	152.3	129.4
Dividend paid per common share in the period	\$0.38	\$0.38	\$0.35	\$0.35	\$0.35	\$0.32	\$0.32	\$0.32	\$0.30	\$1.43	\$1.26
Dividend payout ratio <sup>2</sup>	29%	30%	26%	29%	34%	21%	23%	24%	31%	30%	24%
Dividend yield (annualized) <sup>3</sup>	2.9%	2.5%	2.5%	2.5%	2.4%	2.4%	2.7%	3.2%	3.1%	2.4%	2.4%
<b>Stock options</b>											
Number of stock options outstanding (in millions)											
At beginning of period	2.7	2.9	3.0	3.1	2.8	3.3	3.6	3.7	3.3	2.8	3.3
Options granted	0.3	—	—	—	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)	(0.6)	(1.0)
At end of period	3.0	2.7	2.9	3.0	3.1	2.8	3.3	3.6	3.7	2.7	2.8

<sup>1</sup> Includes options exercised under the stock option plan, 2,750,000 common shares issued in December 2016 and 2,750,000 common shares issued in March 2018.

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

<sup>3</sup> 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)**

(In millions of dollars, unless otherwise indicated)	2018	2017				2016				2017	2016
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual
<b>Valuation</b>											
Price-to-earnings multiple (trailing 12 months) <sup>1</sup> (in number of times)	10.5	12.5	11.3	11.2	11.3	10.3	12.6	11.8	11.3	12.5	10.3
Market capitalization	5,807.2	6,386.2	6,020.3	5,992.8	6,129.4	5,670.3	4,860.5	4,166.1	4,018.8	6,386.2	5,670.3
Book value per common share	\$45.05	\$44.20	\$43.27	\$42.26	\$41.86	\$40.97	\$38.63	\$37.60	\$36.48	\$44.20	\$40.97
Market value to book value ratio (in number of times)	1.2	1.4	1.3	1.3	1.4	1.3	1.2	1.1	1.1	1.4	1.3
Total payout ratio (trailing 12 months) <sup>2</sup>	29%	30%	27%	26%	25%	24%	33%	35%	34%	30%	24%
Capital yield (trailing 12 months) <sup>3</sup>	2.7%	2.4%	2.4%	2.3%	2.2%	2.3%	2.6%	3.0%	3.0%	2.4%	2.3%
Total return on common shares (trailing 12 months) <sup>4</sup>	(5.5%)	14.7%	22.5%	41.8%	50.4%	23.8%	21.7%	(0.4%)	(4.7%)	14.7%	23.8%
<b>Preferred shares</b>											
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
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
Series I	6,000	—	—	—	—	—	—	—	—	—	—
Value of preferred shares											
Series B	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
Series I	150	—	—	—	—	—	—	—	—	—	—
Dividends paid per preferred share											
Series B <sup>5</sup>	—	\$0.2875	\$0.2875	\$0.2875	\$0.2875	\$0.2875	\$0.2875	\$0.2875	\$0.2875	\$1.1500	\$1.1500
Series F	—	—	—	—	—	—	—	—	—	—	—
Series G <sup>5</sup>	—	\$0.23606	\$0.23606	\$0.26875	\$0.26875	\$0.26875	\$0.26875	\$0.26875	\$0.26875	\$1.00963	\$1.07500
Series I	—	—	—	—	—	—	—	—	—	—	—

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> 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.

<sup>5</sup> The Q1-2018 dividend was declared as at February 15<sup>th</sup>, 2018 but was paid on April 2<sup>nd</sup>, 2018.

**CONSOLIDATED INCOME STATEMENTS**
**INCOME STATEMENTS**

	2018		2017			2016				2017	2016
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual
<i>(In millions of dollars, unless otherwise indicated)</i>											
<b>Revenues</b>											
Net premiums	2,186.5	1,810.1	1,684.5	1,818.4	1,940.8	1,673.9	1,680.8	1,569.9	1,622.9	7,253.8	6,547.5
Investment income											
Investment income	326.9	340.1	287.9	292.3	300.2	314.4	291.9	271.8	257.0	1,220.5	1,135.1
Variation in the market value of investment properties	(2.5)	(28.0)	(0.8)	(1.7)	(9.2)	(9.4)	(7.9)	(1.5)	(4.5)	(39.7)	(23.3)
Realized gains (losses) on assets available for sale	3.1	0.4	(3.7)	6.4	(2.0)	(4.7)	(3.9)	(0.1)	6.5	1.1	(2.2)
Change in fair value of financial assets designated at FVTPL	(372.1)	1,145.8	(711.1)	671.3	314.4	(1,594.5)	486.0	991.8	618.1	1,420.4	501.4
Change in provisions for losses	(4.8)	(7.3)	(5.3)	(3.8)	(5.0)	(5.0)	(3.9)	(6.5)	(2.4)	(21.4)	(17.8)
Total	(49.4)	1,451.0	(433.0)	964.5	598.4	(1,299.2)	762.2	1,255.5	874.7	2,580.9	1,593.2
Other revenues	435.0	419.1	371.3	333.2	317.8	309.4	302.6	305.9	288.3	1,441.4	1,206.2
Total	2,572.1	3,680.2	1,622.8	3,116.1	2,857.0	684.1	2,745.6	3,131.3	2,785.9	11,276.1	9,346.9
<b>Policy benefits and expenses</b>											
Net benefits and claims on contracts	1,280.8	1,134.2	1,064.4	1,113.3	1,188.6	1,130.7	1,047.3	990.1	1,018.4	4,500.5	4,186.5
Net transfer to segregated funds	315.1	168.0	192.5	279.4	380.8	88.9	240.0	183.5	231.4	1,020.7	743.8
Increase (decrease) in insurance contract liabilities	(49.9)	873.2	(577.7)	937.7	492.8	(1,620.0)	642.9	1,212.5	863.7	1,726.0	1,099.1
Increase (decrease) in investment contract liabilities	1.4	7.9	(4.9)	4.6	6.4	(11.4)	6.3	12.0	5.1	14.0	12.0
Decrease (increase) in reinsurance assets	66.1	553.6	70.7	(40.0)	(4.5)	240.4	14.5	(77.7)	(55.0)	579.8	122.2
Commissions	408.8	417.7	367.3	336.2	327.5	351.3	316.6	318.1	296.1	1,448.7	1,282.1
General expenses	323.9	300.0	272.1	274.4	274.9	272.5	241.0	251.6	252.9	1,121.4	1,018.0
Premium and other taxes	31.0	31.1	28.4	29.9	28.7	28.8	27.5	29.4	26.5	118.1	112.2
Financing charges	16.6	16.4	15.5	15.8	16.3	19.9	18.9	20.3	17.8	64.0	76.9
Total	2,393.8	3,502.1	1,428.3	2,951.3	2,711.5	501.1	2,555.0	2,939.8	2,656.9	10,593.2	8,652.8
<b>Income before income taxes</b>	178.3	178.1	194.5	164.8	145.5	183.0	190.6	191.5	129.0	682.9	694.1
Income taxes	34.8	39.9	45.7	33.1	30.8	30.5	41.8	47.5	26.6	149.5	146.4
<b>Net income</b>	143.5	138.2	148.8	131.7	114.7	152.5	148.8	144.0	102.4	533.4	547.7
Net income attributed to participating policyholders	0.5	1.6	0.1	—	0.3	(6.7)	0.3	0.4	—	2.0	(6.0)
Net income attributed to shareholders	143.0	136.6	148.7	131.7	114.4	159.2	148.5	143.6	102.4	531.4	553.7
Dividends attributed to preferred shares	3.8	3.8	3.8	4.2	4.1	4.2	4.1	4.1	4.1	15.9	16.5
Redemption premium on preferred shares	—	—	—	—	—	—	—	—	—	—	—
Net income attributed to common shareholders	139.2	132.8	144.9	127.5	110.3	155.0	144.4	139.5	98.3	515.5	537.2

**CONSOLIDATED COMPREHENSIVE INCOME STATEMENTS**
**COMPREHENSIVE INCOME**

<i>(In millions of dollars, unless otherwise indicated)</i>	2018		2017			2016				2017	2016
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual
<b>Comprehensive income statements</b>											
Net income	143.5	138.2	148.8	131.7	114.7	152.5	148.8	144.0	102.4	533.4	547.7
<b>Other comprehensive income (loss), net of income taxes</b>											
<b>Items that will be reclassified subsequently to net income</b>											
<b>Available for sale</b>											
Unrealized gains (losses) arising during the period											
Bonds	(13.0)	13.6	(35.4)	(1.4)	22.9	(56.1)	6.9	27.4	11.5	(0.3)	(10.3)
Stocks	(2.0)	4.5	3.1	(2.4)	18.2	10.3	6.4	1.7	(13.0)	23.4	5.4
Reclassification of losses (gains) included in the net income											
Bonds	(4.0)	(0.1)	2.2	(5.1)	1.2	2.6	(0.5)	—	(5.1)	(1.8)	(3.0)
Stocks	1.7	(0.5)	0.1	0.9	0.2	0.8	3.4	0.1	0.3	0.7	4.6
Change in unrealized gains (losses) on available for sale financial assets	(17.3)	17.5	(30.0)	(8.0)	42.5	(42.4)	16.2	29.2	(6.3)	22.0	(3.3)
<b>Cash-flow hedge</b>	(0.9)	3.3	(2.0)	0.6	—	—	0.3	(0.4)	—	1.9	(0.1)
<b>Currency translation account</b>											
Unrealized gains (losses) on currency translation in foreign operations	27.0	0.6	(23.5)	(17.5)	(4.0)	13.6	4.6	1.9	(34.0)	(44.4)	(13.9)
Hedges of net investment in foreign operations	(21.0)	0.1	20.9	5.5	2.8	(10.2)	(3.9)	(3.6)	17.0	29.3	(0.7)
<b>Items that will not be reclassified subsequently to net income</b>											
Remeasurement of post-employment benefits	(14.3)	(14.0)	36.1	(28.7)	(21.5)	124.2	(23.5)	(18.6)	(70.2)	(28.1)	11.9
Total other comprehensive income (loss)	(26.5)	7.5	1.5	(48.1)	19.8	85.2	(6.3)	8.5	(93.5)	(19.3)	(6.1)
<b>Comprehensive income</b>	<b>117.0</b>	<b>145.7</b>	<b>150.3</b>	<b>83.6</b>	<b>134.5</b>	<b>237.7</b>	<b>142.5</b>	<b>152.5</b>	<b>8.9</b>	<b>514.1</b>	<b>541.6</b>
<b>Comprehensive income attributed to shareholders</b>	116.5	144.1	150.2	83.6	134.2	244.4	142.2	152.1	8.9	512.1	547.6
<b>Comprehensive income attributed to participating policyholders</b>	0.5	1.6	0.1	—	0.3	(6.7)	0.3	0.4	—	2.0	(6.0)

**DETAIL OF ACCUMULATED OTHER COMPREHENSIVE INCOME**

<i>(In millions of dollars, unless otherwise indicated)</i>	2018		2017			2016				2017	2016
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual
<b>Accumulated other comprehensive income (loss)</b>											
Balance at beginning of period	48.9	27.4	62.0	81.4	40.1	79.1	61.9	34.8	58.1	40.1	58.1
Transfer of post-employment benefits to retained earnings	14.3	14.0	(36.1)	28.7	21.5	(124.2)	23.5	18.6	70.2	28.1	(11.9)
Total other comprehensive income	(26.5)	7.5	1.5	(48.1)	19.8	85.2	(6.3)	8.5	(93.5)	(19.3)	(6.1)
Balance at end of period	36.7	48.9	27.4	62.0	81.4	40.1	79.1	61.9	34.8	48.9	40.1
<b>Sources of accumulated other comprehensive income (loss)</b>											
Bonds	10.7	27.7	14.2	47.4	53.9	29.8	83.3	76.9	49.5	27.7	29.8
Stocks	6.7	7.0	3.0	(0.2)	1.3	(17.1)	(28.2)	(38.0)	(39.8)	7.0	(17.1)
Cash-flow hedge	0.9	1.8	(1.5)	0.5	(0.1)	(0.1)	(0.1)	(0.4)	—	1.8	(0.1)
Currency translation account	18.4	12.4	11.7	14.3	26.3	27.5	24.1	23.4	25.1	12.4	27.5
Total	36.7	48.9	27.4	62.0	81.4	40.1	79.1	61.9	34.8	48.9	40.1



**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
**FINANCIAL POSITION**

	2018		2017			2016			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<i>(In millions of dollars, unless otherwise indicated)</i>									
<b>Assets</b>									
<b>Invested assets</b>									
Cash and short-term investments	912.9	1,140.7	1,236.7	965.0	825.0	911.9	1,252.5	969.9	889.5
Bonds	23,514.4	22,944.1	21,935.5	22,338.0	21,604.9	21,086.8	21,833.8	21,039.6	19,724.6
Stocks	3,378.9	3,467.0	3,271.0	3,278.5	3,139.9	3,083.0	3,072.6	2,959.4	2,866.5
Mortgages and other loans	3,304.8	3,288.1	3,255.2	3,277.3	3,311.5	3,292.3	3,265.7	3,286.2	3,253.6
Derivative financial instruments	305.1	395.0	233.3	308.8	248.5	262.5	649.4	766.8	679.7
Policy loans	923.9	946.2	926.0	961.3	954.4	945.9	910.1	908.4	890.7
Other invested assets <sup>1</sup>	309.4	300.0	282.6	277.7	273.0	270.7	256.8	252.3	221.9
Investment properties	1,343.0	1,340.8	1,228.2	1,249.8	1,236.0	1,237.8	1,250.4	1,252.8	1,211.8
Total investments	33,992.4	33,821.9	32,368.5	32,656.4	31,593.2	31,090.9	32,491.3	31,435.4	29,738.3
<b>Other assets<sup>1</sup></b>	2,363.4	1,903.0	2,173.9	1,940.5	2,408.1	1,818.5	2,112.3	2,005.6	2,181.1
<b>Reinsurance assets</b>	885.6	481.5	1,037.0	1,137.7	1,121.3	1,121.9	1,340.6	1,345.6	1,266.0
<b>Fixed assets</b>	265.8	256.5	253.9	241.3	202.0	194.7	185.2	179.3	177.5
<b>Deferred income tax assets</b>	28.0	21.9	22.1	27.8	26.6	25.7	30.5	31.5	50.7
<b>Intangible assets</b>	994.9	827.1	798.0	681.2	665.3	659.4	643.4	636.7	626.2
<b>Goodwill</b>	630.3	477.5	492.8	316.9	313.1	312.7	306.2	337.8	335.2
<b>General fund assets</b>	39,160.4	37,789.4	37,146.2	37,001.8	36,329.6	35,223.8	37,109.5	35,971.9	34,375.0
<b>Segregated funds net assets</b>	24,100.1	24,117.0	23,207.1	22,942.0	22,664.1	21,825.8	21,511.3	20,634.9	20,007.5
<b>Total assets</b>	<u>63,260.5</u>	<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>

<sup>1</sup> In 2017, one item in "Other invested assets" was reclassified under "Other assets" on the balance sheet. This change was reflected back through 2016.

**FINANCIAL POSITION (continued)**

	2018		2017			2016			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<i>(In millions of dollars, unless otherwise indicated)</i>									
<b>Liabilities</b>									
<b>Insurance contract liabilities</b>									
Provisions for future policy benefits	24,955.4	24,963.6	24,090.1	24,722.3	23,828.1	23,346.2	24,928.2	24,268.3	23,049.9
Provisions for dividends to policyholders and experience rating refunds	41.4	34.0	32.7	31.8	30.1	32.8	26.3	26.7	30.8
Benefits payable and provision for unreported claims	278.3	261.8	247.2	250.9	266.5	220.7	221.2	240.8	233.9
Policyholders' amounts on deposit	300.9	304.1	308.1	297.7	305.7	299.0	299.8	302.5	301.9
<b>Total</b>	<b>25,576.0</b>	<b>25,563.5</b>	<b>24,678.1</b>	<b>25,302.7</b>	<b>24,430.4</b>	<b>23,898.7</b>	<b>25,475.5</b>	<b>24,838.3</b>	<b>23,616.5</b>
<b>Investment contract liabilities</b>	607.9	587.0	580.1	588.2	616.1	605.8	636.6	643.5	646.3
<b>Derivative financial instruments</b>	250.9	195.0	329.1	231.4	284.7	333.2	306.2	393.7	339.5
<b>Other liabilities</b>									
Mortgage debt on investment properties	—	—	—	—	—	—	—	—	21.8
Other	5,948.9	5,094.0	5,320.9	4,782.5	4,949.0	4,452.8	4,876.8	4,804.6	4,590.3
<b>Total</b>	<b>5,948.9</b>	<b>5,094.0</b>	<b>5,320.9</b>	<b>4,782.5</b>	<b>4,949.0</b>	<b>4,452.8</b>	<b>4,876.8</b>	<b>4,804.6</b>	<b>4,612.1</b>
<b>Deferred income tax liabilities</b>	271.8	217.5	215.1	185.9	186.1	173.4	174.3	166.9	154.6
<b>Debentures</b>	1,000.4	996.3	996.1	995.8	995.6	995.3	1,244.4	846.3	846.2
<b>General fund liabilities</b>	33,655.9	32,653.3	32,119.4	32,086.5	31,461.9	30,459.2	32,713.8	31,693.3	30,215.2
<b>Segregated funds liabilities</b>	24,100.1	24,117.0	23,207.1	22,942.0	22,664.1	21,825.8	21,511.3	20,634.9	20,007.5
<b>Equity</b>									
Participating policyholders' accounts	41.5	41.0	39.4	39.3	39.3	39.0	45.7	45.4	45.1
Share capital									
Common shares	1,668.0	1,520.9	1,512.9	1,511.4	1,505.5	1,498.8	1,328.5	1,315.0	1,312.5
Preferred shares	525.0	375.0	375.0	375.0	375.0	375.0	375.0	375.0	375.0
<b>Total</b>	<b>2,193.0</b>	<b>1,895.9</b>	<b>1,887.9</b>	<b>1,886.4</b>	<b>1,880.5</b>	<b>1,873.8</b>	<b>1,703.5</b>	<b>1,690.0</b>	<b>1,687.5</b>
Contributed surplus	20.1	19.5	19.7	18.7	18.5	18.5	21.1	22.6	22.0
Retained earnings	3,213.2	3,130.8	3,052.4	2,908.9	2,848.0	2,793.2	2,546.3	2,458.7	2,370.4
<b>Accumulated other comprehensive income</b>	36.7	48.9	27.4	62.0	81.4	40.1	79.1	61.9	34.8
<b>Total shareholders' equity</b>	<b>5,463.0</b>	<b>5,095.1</b>	<b>4,987.4</b>	<b>4,876.0</b>	<b>4,828.4</b>	<b>4,725.6</b>	<b>4,350.0</b>	<b>4,233.2</b>	<b>4,114.7</b>
<b>Total equity</b>	<b>5,504.5</b>	<b>5,136.1</b>	<b>5,026.8</b>	<b>4,915.3</b>	<b>4,867.7</b>	<b>4,764.6</b>	<b>4,395.7</b>	<b>4,278.6</b>	<b>4,159.8</b>
<b>Total liabilities and equity</b>	<b>63,260.5</b>	<b>61,906.4</b>	<b>60,353.3</b>	<b>59,943.8</b>	<b>58,993.7</b>	<b>57,049.6</b>	<b>58,620.8</b>	<b>56,606.8</b>	<b>54,382.5</b>

## 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). 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.
- **US Operations:**  
*Individual Insurance:* Sales are defined as first-year annualized premiums.  
*Dealer Services - P&C:* P&C sales are defined as direct written 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** – Solvency ratios provide 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. The Company's regulatory authority is the Autorité des marchés financiers. Under the capital regime CARLI in effect since January 1, 2018 (AMF's capital guideline that is comparable to OSFI's LICAT), the total ratio is calculated by dividing the sum of the available capital, the surplus allowance and the eligible deposits by the base solvency buffer. Under the capital regime CAR in effect until December 31, 2017 (AMF's capital guideline that is comparable to OSFI's MCCSR), the ratio is calculated by dividing the available capital by the required capital.

**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.