



At June 30, 2018

**Financial Information
Package (unaudited)**

For the Second 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 6,700 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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Stock Exchange Listing

Industrial Alliance's common shares are listed on the Toronto Stock Exchange under the stock symbol IAG.

Dividend Reinvestment and Share Purchase Plan

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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)

Shareholder Services

For questions regarding share accounts, dividends, changes of address an ownership and other related matters, contact our transfer agent: Computershare Investor Services Inc.
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Investor Relations

For analysts, portfolio managers and investors requesting financial information, contact our Investor Relations Department:
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2018 Reporting Dates

2018 Second quarter - August 2, 2018
2018 Third quarter - November 7, 2018
2018 Fourth quarter - February 14, 2019

General information

For information on upcoming earnings releases, investor conferences and disclosure documents consult our website at ia.ca, under *About iA*, in the *Investor Relations* section.

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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 June 30			Six months ended June 30			Twelve months ended December 31
	2018	2017	Variation	2018	2017	Variation	2017
PROFITABILITY							
Net income attributed to shareholders	165.2	131.7	25%	308.2	246.1	25%	531.4
Dividends attributed to preferred shares	6.1	4.2	45%	9.9	8.3	19%	15.9
Redemption premium on preferred shares	—	—	—	—	—	—	—
Net income attributed to common shareholders	<u>159.1</u>	<u>127.5</u>	<u>25%</u>	<u>298.3</u>	<u>237.8</u>	<u>25%</u>	<u>515.5</u>
Earnings per common share							
Basic	\$1.45	\$1.20	\$0.25	\$2.75	\$2.24	\$0.51	\$4.84
Diluted	\$1.44	\$1.19	\$0.25	\$2.73	\$2.22	\$0.51	\$4.81
Diluted, core ¹	\$1.38	\$1.19	\$0.19	\$2.70	\$2.24	\$0.46	\$4.86
Return on common shareholders' equity ¹							
Quarter annualized	12.7%	11.4%	130 bps	—	—	—	—
Trailing 12 months	12.0%	12.9%	(90 bps)	—	—	—	—
Trailing 12 months, core	12.0%	11.8%	20 bps	—	—	—	—
BUSINESS GROWTH							
Sales by line of business ¹							
Individual Insurance	47.4	48.0	(1%)	94.1	94.5	—	194.0
Individual Wealth Management							
General fund	98.0	74.4	32%	207.7	166.2	25%	316.5
Segregated funds	445.9	453.8	(2%)	1,063.5	1,008.3	5%	1,883.4
Mutual funds	543.9	560.1	(3%)	1,214.0	1,343.9	(10%)	2,365.4
Total	<u>1,087.8</u>	<u>1,088.3</u>	<u>—</u>	<u>2,485.2</u>	<u>2,518.4</u>	<u>(1%)</u>	<u>4,565.3</u>
Group Insurance							
Employee Plans	56.4	28.9	95%	75.9	64.7	17%	107.3
Dealer Services - Creditor Insurance ²	106.6	106.4	—	178.9	182.1	(2%)	401.4
Dealer Services - P&C	71.4	71.8	(1%)	121.3	118.3	3%	233.4
Special Markets Solutions	56.8	43.5	31%	121.8	98.0	24%	231.2
Group Savings and Retirement	370.0	426.0	(13%)	905.3	901.2	—	1,545.1
US Operations (\$CAN) ³							
Individual Insurance	27.7	26.9	3%	49.5	50.3	(2%)	94.5
Dealer Services - P&C ⁴	132.8	—	—	244.1	—	—	—
General Insurance							
iAAH (Auto & Home)	104.8	102.7	2%	167.0	162.1	3%	308.8
Net premiums, premium equivalent and deposits by line of business							
Individual Insurance	378.7	371.8	2%	770.5	734.0	5%	1,492.5
Individual Wealth Management	1,087.8	1,088.3	—	2,485.2	2,518.4	(1%)	4,565.3
Group Insurance	437.3	386.7	13%	859.8	758.5	13%	1,621.4
Group Savings and Retirement	363.7	419.4	(13%)	892.7	887.9	1%	1,518.9
US Operations							
Individual Insurance	85.5	79.9	7%	166.5	154.8	8%	309.8
Dealer Services - P&C	10.5	—	—	31.0	—	—	—
General Insurance ⁵	73.2	68.9	6%	144.9	135.6	7%	280.5
Total	<u>2,436.7</u>	<u>2,415.0</u>	<u>1%</u>	<u>5,350.6</u>	<u>5,189.2</u>	<u>3%</u>	<u>9,788.4</u>
Assets under management and administration	172,901.9	132,203.8	31%	172,901.9	132,203.8	31%	169,539.8

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

² Includes all creditor insurance business sold by the Company.

³ As at March 31, 2018, the Company has decided to present information relating to its US Operations separately.

⁴ Data first presented in Q1-2018 following the acquisition of IA American Casualty Holdings Inc. (formerly Helios Financial Holdings Corp.).

⁵ Includes iAAuto 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)

	June 30, 2018	March 31, 2018	December 31, 2017	June 30, 2017
QUALITY OF INVESTMENTS				
Impaired investments and provisions (excluding insured loans)				
Net impaired investments	18.6	20.4	23.4	25.9
Net impaired investments as a % of investment portfolio	0.05%	0.06%	0.07%	0.08%
Provisions for impaired investments (specific)	6.1	6.9	7.5	5.6
As a % of gross impaired investments	24.7%	25.3%	24.3%	17.8%
Bonds				
Rated BB and lower	0.81%	0.86%	0.99%	0.66%
Mortgages				
Delinquency rate	0.12%	0.19%	0.34%	0.37%
Occupancy rate on investment properties	92.0%	92.0%	93.0%	92.0%
SOLVENCY RATIO CARLI^{1,2}	122%	121%	120%	—
SOLVENCY RATIO CAR^{1,3}	—	—	209%	220%
BOOK VALUE PER OUTSTANDING COMMON SHARE	\$46.56	\$45.05	\$44.20	\$42.26

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

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

³ 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			2018	2017	2017	2016
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	YTD	YTD	Annual	Annual
Net income													
Net income	165.8	143.5	138.2	148.8	131.7	114.7	152.5	148.8	144.0	309.3	246.4	533.4	547.7
Net income attributed to participating policyholders	0.6	0.5	1.6	0.1	—	0.3	(6.7)	0.3	0.4	1.1	0.3	2.0	(6.0)
Net income attributed to shareholders	165.2	143.0	136.6	148.7	131.7	114.4	159.2	148.5	143.6	308.2	246.1	531.4	553.7
Dividends attributed to preferred shares	6.1	3.8	3.8	3.8	4.2	4.1	4.2	4.1	4.1	9.9	8.3	15.9	16.5
Redemption premium on preferred shares	—	—	—	—	—	—	—	—	—	—	—	—	—
Net income attributed to common shareholders	159.1	139.2	132.8	144.9	127.5	110.3	155.0	144.4	139.5	298.3	237.8	515.5	537.2
Earnings per common share													
Basic	\$1.45	\$1.30	\$1.25	\$1.36	\$1.20	\$1.04	\$1.50	\$1.41	\$1.36	\$2.75	\$2.24	\$4.84	\$5.22
Diluted	\$1.44	\$1.29	\$1.24	\$1.35	\$1.19	\$1.03	\$1.48	\$1.40	\$1.35	\$2.73	\$2.22	\$4.81	\$5.19
Diluted, core ¹	\$1.38	\$1.32	\$1.27	\$1.35	\$1.19	\$1.05	\$1.15	\$1.29	\$1.21	\$2.70	\$2.24	\$4.86	\$4.69
Return on common shareholders' equity¹													
Quarter annualized	12.7%	11.5%	11.4%	12.7%	11.4%	10.0%	14.9%	14.7%	14.7%	—	—	—	—
Trailing 12 months	12.0%	11.6%	11.4%	12.5%	12.9%	13.4%	13.2%	10.1%	9.4%	—	—	—	—
Trailing 12 months, core	12.0%	11.7%	11.5%	11.8%	11.8%	12.0%	11.9%	12.1%	11.9%	—	—	—	—
Net income attributed to common shareholders by line of business													
Individual Insurance	85.3	63.7	52.4	82.1	70.0	53.5	110.5	78.6	76.9	149.0	123.5	258.0	328.7
Individual Wealth Management	36.9	39.5	39.8	34.7	36.1	38.7	29.0	36.5	38.9	76.4	74.8	149.3	114.5
Group Insurance	18.3	19.0	17.5	17.9	9.3	9.7	0.2	16.4	14.7	37.3	19.0	54.4	51.8
Group Savings and Retirement	4.5	6.1	15.2	4.4	5.5	5.3	8.8	5.5	4.9	10.6	10.8	30.4	21.2
US Operations	14.1	10.9	7.9	5.8	6.6	3.1	6.5	7.4	4.1	25.0	9.7	23.4	21.0
Total	159.1	139.2	132.8	144.9	127.5	110.3	155.0	144.4	139.5	298.3	237.8	515.5	537.2

SPECIFIED ITEMS¹

<i>(In millions of dollars, unless otherwise indicated)</i>	2018		2017				2016			2018	2017	2017	2016
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	YTD	YTD	Annual	Annual
Impact on net income to common shareholders													
Impact of market on expected earnings ²													
Increase (decrease) in income on UL policies	5.0	(5.6)	5.7	(1.0)	(1.6)	1.9	2.9	4.3	—	(0.6)	0.3	5.0	2.7
Higher (lower) than expected management fees ³	0.3	(1.0)	1.3	(0.5)	0.3	1.0	0.1	1.2	0.8	(0.7)	1.3	2.1	0.6
Impact of dynamic hedging	(0.1)	2.1	3.1	5.2	4.2	9.5	(0.9)	3.9	10.1	2.0	13.7	22.0	6.8
Other													
Changes in assumptions and management actions	—	—	(10.6)	—	—	—	23.2	—	—	—	—	(10.6)	23.2

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

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

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

SOURCES OF EARNINGS BY LINE OF BUSINESS

(In millions of dollars, unless otherwise indicated)	2018		2017				2016			2018	2017	2017	2016
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	YTD	YTD	Annual	Annual
Individual Insurance													
Operating profit (loss) ¹													
Expected profit on in-force	78.8	76.0	80.8	81.7	79.1	76.3	73.0	74.1	72.0	154.8	155.4	317.9	288.3
Experience gain (loss)	21.2	(1.7)	1.2	(0.3)	(5.4)	(21.2)	25.3	13.4	4.7	19.5	(26.6)	(25.7)	41.6
Strain on sales	(4.3)	(7.0)	(5.0)	(3.4)	(3.0)	(2.5)	(3.3)	(6.0)	(7.0)	(11.3)	(5.5)	(13.9)	(24.2)
Changes in assumptions and management actions	—	—	(31.9)	—	—	—	17.4	—	—	—	—	(31.9)	17.4
Total	95.7	67.3	45.1	78.0	70.7	52.6	112.4	81.5	69.7	163.0	123.3	246.4	323.1
Income on capital ¹	17.9	12.7	19.0	28.1	14.2	12.9	21.6	16.6	14.5	30.6	27.1	74.2	64.5
Income taxes ¹	(24.1)	(13.5)	(9.5)	(21.6)	(12.3)	(9.5)	(20.8)	(17.0)	(4.8)	(37.6)	(21.8)	(52.9)	(48.6)
Net income (loss) attributed to shareholders	89.5	66.5	54.6	84.5	72.6	56.0	113.2	81.1	79.4	156.0	128.6	267.7	339.0
Dividends attributed to preferred shares	4.2	2.8	2.2	2.4	2.6	2.5	2.7	2.5	2.5	7.0	5.1	9.7	10.3
Redemption premium on preferred shares	—	—	—	—	—	—	—	—	—	—	—	—	—
Net income (loss) attributed to common shareholders	85.3	63.7	52.4	82.1	70.0	53.5	110.5	78.6	76.9	149.0	123.5	258.0	328.7
Individual Wealth Management													
Operating profit (loss) ¹													
Expected profit on in-force	56.2	49.6	52.4	50.5	45.8	38.1	40.6	38.7	38.6	105.8	83.9	186.8	150.4
Experience gain (loss)	(1.8)	4.7	1.2	1.9	5.1	16.9	(1.4)	12.6	20.1	2.9	22.0	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	54.4	54.2	59.7	52.4	50.9	55.0	44.2	51.3	58.7	108.6	105.9	218.0	177.4
Income on capital ¹	2.8	(1.6)	(3.1)	(3.8)	(1.2)	(1.0)	(5.7)	(1.3)	(1.5)	1.2	(2.2)	(9.1)	(9.4)
Income taxes ¹	(18.8)	(12.3)	(15.7)	(13.0)	(12.5)	(14.2)	(8.5)	(12.4)	(17.2)	(31.1)	(26.7)	(55.4)	(49.3)
Net income (loss) attributed to shareholders	38.4	40.3	40.9	35.6	37.2	39.8	30.0	37.6	40.0	78.7	77.0	153.5	118.7
Dividends attributed to preferred shares	1.5	0.8	1.1	0.9	1.1	1.1	1.0	1.1	1.1	2.3	2.2	4.2	4.2
Redemption premium on preferred shares	—	—	—	—	—	—	—	—	—	—	—	—	—
Net income (loss) attributed to common shareholders	36.9	39.5	39.8	34.7	36.1	38.7	29.0	36.5	38.9	76.4	74.8	149.3	114.5
Group Insurance													
Operating profit (loss) ¹													
Expected profit on in-force	20.3	16.3	20.2	22.5	18.0	13.8	18.6	20.7	17.0	36.6	31.8	74.5	67.8
Experience gain (loss)	7.3	7.3	4.6	(1.4)	(5.9)	(1.3)	(12.5)	(0.4)	0.4	14.6	(7.2)	(4.0)	(3.8)
Strain on sales	—	—	—	—	—	—	—	—	—	—	—	—	—
Changes in assumptions and management actions	—	—	(2.3)	—	—	—	(1.3)	—	—	—	—	(2.3)	(1.3)
Total	27.6	23.6	22.5	21.1	12.1	12.5	4.8	20.3	17.4	51.2	24.6	68.2	62.7
Income on capital ¹	1.0	0.6	2.1	3.8	0.8	1.1	(5.4)	2.5	2.4	1.6	1.9	7.8	1.4
Income taxes ¹	(9.9)	(5.0)	(6.7)	(6.6)	(3.2)	(3.5)	1.2	(6.0)	(4.7)	(14.9)	(6.7)	(20.0)	(10.7)
Net income (loss) attributed to shareholders	18.7	19.2	17.9	18.3	9.7	10.1	0.6	16.8	15.1	37.9	19.8	56.0	53.4
Dividends attributed to preferred shares	0.4	0.2	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.6	0.8	1.6	1.6
Redemption premium on preferred shares	—	—	—	—	—	—	—	—	—	—	—	—	—
Net income (loss) attributed to common shareholders	18.3	19.0	17.5	17.9	9.3	9.7	0.2	16.4	14.7	37.3	19.0	54.4	51.8

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

SOURCES OF EARNINGS BY LINE OF BUSINESS (continued)

(In millions of dollars, unless otherwise indicated)	2018		2017				2016			2018	2017	2017	2016
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	YTD	YTD	Annual	Annual
Group Savings and Retirement													
Operating profit (loss) ¹													
Expected profit on in-force	5.7	6.0	6.9	6.9	6.7	6.3	5.7	5.1	5.0	11.7	13.0	26.8	20.8
Experience gain (loss)	1.3	1.6	1.6	(1.6)	0.8	0.9	(2.7)	1.5	1.8	2.9	1.7	1.7	0.7
Strain on sales	0.1	0.3	(0.8)	(0.1)	(0.5)	(0.5)	(0.5)	—	—	0.4	(1.0)	(1.9)	(3.2)
Changes in assumptions and management actions	—	—	12.6	—	—	—	9.5	—	—	—	—	12.6	9.5
Total	7.1	7.9	20.3	5.2	7.0	6.7	12.0	6.6	6.8	15.0	13.7	39.2	27.8
Income on capital ¹	—	(0.3)	0.5	0.8	0.3	0.6	—	0.5	0.5	(0.3)	0.9	2.2	1.4
Income taxes ¹	(2.6)	(1.5)	(5.5)	(1.5)	(1.7)	(1.9)	(3.1)	(1.5)	(2.3)	(4.1)	(3.6)	(10.6)	(7.6)
Net income (loss) attributed to shareholders	4.5	6.1	15.3	4.5	5.6	5.4	8.9	5.6	5.0	10.6	11.0	30.8	21.6
Dividends attributed to preferred shares	—	—	0.1	0.1	0.1	0.1	0.1	0.1	0.1	—	0.2	0.4	0.4
Redemption premium on preferred shares	—	—	—	—	—	—	—	—	—	—	—	—	—
Net income (loss) attributed to common shareholders	4.5	6.1	15.2	4.4	5.5	5.3	8.8	5.5	4.9	10.6	10.8	30.4	21.2
US Operations²													
Operating profit (loss) ¹													
Expected profit on in-force	11.3	11.2	8.3	8.4	8.3	8.3	7.9	7.9	7.8	22.5	16.6	33.3	31.5
Experience gain (loss)	7.7	(1.4)	0.7	(0.8)	1.6	(2.5)	0.8	1.7	1.0	6.3	(0.9)	(1.0)	3.1
Strain on sales	(2.3)	(2.9)	(1.8)	(1.8)	(2.0)	(3.2)	(2.8)	(3.7)	(3.7)	(5.2)	(5.2)	(8.8)	(14.7)
Changes in assumptions and management actions	—	—	1.0	—	—	—	1.1	—	—	—	—	1.0	1.1
Total	16.7	6.9	8.2	5.8	7.9	2.6	7.0	5.9	5.1	23.6	10.5	24.5	21.0
Income on capital ¹	1.3	6.5	1.6	2.9	2.2	2.2	1.7	2.3	1.6	7.8	4.4	8.9	7.2
Income taxes ¹	(3.9)	(2.5)	(1.9)	(2.9)	(3.5)	(1.7)	(2.2)	(0.8)	(2.6)	(6.4)	(5.2)	(10.0)	(7.2)
Net income (loss) attributed to shareholders	14.1	10.9	7.9	5.8	6.6	3.1	6.5	7.4	4.1	25.0	9.7	23.4	21.0
Dividends attributed to preferred shares	—	—	—	—	—	—	—	—	—	—	—	—	—
Redemption premium on preferred shares	—	—	—	—	—	—	—	—	—	—	—	—	—
Net income (loss) attributed to common shareholders	14.1	10.9	7.9	5.8	6.6	3.1	6.5	7.4	4.1	25.0	9.7	23.4	21.0
Total Company													
Operating profit (loss) ¹													
Expected profit on in-force	172.3	159.1	168.6	170.0	157.9	142.8	145.8	146.5	140.4	331.4	300.7	639.3	558.8
Experience gain (loss)	35.7	10.5	9.3	(2.2)	(3.8)	(7.2)	9.5	28.8	28.0	46.2	(11.0)	(3.9)	63.7
Strain on sales	(6.5)	(9.7)	(7.6)	(5.3)	(5.5)	(6.2)	(6.6)	(9.7)	(10.7)	(16.2)	(11.7)	(24.6)	(42.2)
Changes in assumptions and management actions	—	—	(14.5)	—	—	—	31.7	—	—	—	—	(14.5)	31.7
Total	201.5	159.9	155.8	162.5	148.6	129.4	180.4	165.6	157.7	361.4	278.0	596.3	612.0
Income on capital ¹	23.0	17.9	20.1	31.8	16.3	15.8	12.2	20.6	17.5	40.9	32.1	84.0	65.1
Income taxes ¹	(59.3)	(34.8)	(39.3)	(45.6)	(33.2)	(30.8)	(33.4)	(37.7)	(31.6)	(94.1)	(64.0)	(148.9)	(123.4)
Net income (loss) attributed to shareholders	165.2	143.0	136.6	148.7	131.7	114.4	159.2	148.5	143.6	308.2	246.1	531.4	553.7
Dividends attributed to preferred shares	6.1	3.8	3.8	3.8	4.2	4.1	4.2	4.1	4.1	9.9	8.3	15.9	16.5
Redemption premium on preferred shares	—	—	—	—	—	—	—	—	—	—	—	—	—
Net income (loss) attributed to common shareholders	159.1	139.2	132.8	144.9	127.5	110.3	155.0	144.4	139.5	298.3	237.8	515.5	537.2

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

² As at March 31, 2018, the Company presents information relating to its US Operations separately.

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

	2018		2017				2016			2018	2017	2017	2016
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	YTD	YTD	Annual	Annual
Specific gains and losses													
Changes in assumptions and management actions	—	—	(0.10)	—	—	—	0.22	—	—	—	—	(0.10)	0.22
Income tax gain and loss	(0.07)	0.03	—	(0.02)	0.01	—	0.06	—	0.03	(0.04)	0.01	(0.01)	0.09
Debtore and preferred share redemption	—	—	—	—	—	—	(0.03)	—	—	—	—	—	(0.03)
Tax on premiums (in Individual Insurance)	—	—	—	—	—	(0.04)	—	—	—	—	(0.04)	(0.04)	—
HollisWealth integration (in Individual Wealth Mgt.)	—	—	(0.02)	(0.03)	(0.02)	(0.01)	—	—	—	—	(0.03)	(0.08)	—
Total	(0.07)	0.03	(0.12)	(0.05)	(0.01)	(0.05)	0.25	—	0.03	(0.04)	(0.06)	(0.23)	0.28
Market-related gains and losses²													
Increase (decrease) in income on UL policies	0.05	(0.05)	0.05	(0.01)	(0.02)	0.02	0.03	0.04	—	—	—	0.04	0.03
Higher (lower) than expected management fees ³	—	(0.01)	0.01	(0.01)	—	0.01	—	0.01	0.01	(0.01)	0.01	0.01	0.01
Impact of dynamic hedging	—	0.02	0.03	0.05	0.04	0.09	(0.01)	0.04	0.10	0.02	0.13	0.21	0.07
Total	0.05	(0.04)	0.09	0.03	0.02	0.12	0.02	0.09	0.11	0.01	0.14	0.26	0.11
Policyholder experience gains and losses⁴													
Individual Insurance	0.10	0.04	(0.04)	0.01	(0.02)	(0.13)	0.15	0.06	0.03	0.14	(0.15)	(0.18)	0.26
Individual Wealth Management	(0.01)	0.02	(0.01)	—	0.02	0.03	—	0.04	0.03	0.01	0.05	0.04	0.07
Group Insurance	0.05	0.05	0.03	(0.01)	(0.04)	(0.01)	(0.09)	—	0.01	0.10	(0.05)	(0.03)	(0.01)
Group Savings and Retirement	0.01	0.01	0.01	(0.01)	0.01	0.01	(0.02)	0.01	0.02	0.02	0.02	0.02	0.01
US Operations	0.05	(0.01)	—	(0.01)	0.01	(0.02)	0.01	0.01	0.01	0.04	(0.01)	(0.02)	0.03
Total	0.20	0.11	(0.01)	(0.02)	(0.02)	(0.12)	0.05	0.12	0.10	0.31	(0.14)	(0.17)	0.36
Other experience gains and losses													
Strain on sales (in Ind. Insurance and US Operations)	(0.02)	(0.01)	(0.02)	(0.01)	0.02	0.04	0.01	0.01	0.01	(0.03)	0.06	0.03	0.03
iA Auto and Home	0.02	—	—	0.01	(0.04)	(0.03)	(0.03)	(0.03)	(0.01)	0.02	(0.07)	(0.06)	(0.07)
Investment income on capital	(0.01)	0.03	—	0.04	0.02	0.04	—	0.01	0.02	0.02	0.06	0.10	0.06
Total gains and losses	0.17	0.12	(0.06)	—	(0.01)	—	0.30	0.20	0.26	0.29	(0.01)	(0.07)	0.77

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

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

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

⁴ 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			2018	2017	2017	2016
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	YTD	YTD	Annual	Annual
Reported earnings													
Earnings per common share - diluted	1.44	1.29	1.24	1.35	1.19	1.03	1.48	1.40	1.35	2.73	2.22	4.81	5.19
Return on common shareholders' equity - trailing 12 months ¹	12.0%	11.6%	11.4%	12.5%	12.9%	13.4%	13.2%	10.1%	9.4%	—	—	—	—
EPS adjustments (non-core items)^{1,2}													
Specific gains and losses													
Changes in assumptions and management actions	—	—	0.10	—	—	—	(0.22)	—	—	—	—	0.10	(0.22)
Income tax gain and loss	0.07	—	—	—	—	—	(0.06)	—	(0.03)	0.07	—	—	(0.09)
Debenture and preferred share redemption	—	—	—	—	—	—	0.03	—	—	—	—	—	0.03
Tax on premiums (in Individual Insurance)	—	—	—	—	—	0.04	—	—	—	—	0.04	0.04	—
HollisWealth integration (in Individual Wealth Mgt.)	—	—	0.02	0.03	0.02	0.01	—	—	—	—	0.03	0.08	—
Total	0.07	—	0.12	0.03	0.02	0.05	(0.25)	—	(0.03)	0.07	0.07	0.22	(0.28)
Market-related gains and losses	(0.05)	0.04	(0.09)	(0.03)	(0.02)	(0.12)	(0.02)	(0.09)	(0.11)	(0.01)	(0.14)	(0.26)	(0.11)
Policyholder experience gains and losses in excess of \$0.04 EPS^{3,4}													
Individual Insurance	(0.06)	—	—	—	—	0.09	(0.11)	(0.02)	—	(0.06)	0.09	0.09	(0.13)
Individual Wealth Management	—	—	—	—	—	—	—	—	—	—	—	—	—
Group Insurance	(0.01)	(0.01)	—	—	—	—	0.05	—	—	(0.02)	—	—	0.02
Group Savings and Retirement	—	—	—	—	—	—	—	—	—	—	—	—	—
US Operations	(0.01)	—	—	—	—	—	—	—	—	(0.01)	—	—	—
Total	(0.08)	(0.01)	—	—	—	0.09	(0.06)	(0.02)	—	(0.09)	0.09	0.09	(0.11)
Other experience gains and losses in excess of \$0.04 EPS³													
Strain on sales (in Individual Insurance)	—	—	—	—	—	—	—	—	—	—	—	—	—
iA Auto and Home	—	—	—	—	—	—	—	—	—	—	—	—	—
Investment income on capital	—	—	—	—	—	—	—	—	—	—	—	—	—
Total adjustments⁴	(0.06)	0.03	0.03	—	—	0.02	(0.33)	(0.11)	(0.14)	(0.03)	0.02	0.05	(0.50)
Core earnings^{1,2,4}													
Core earnings per common share - diluted	1.38	1.32	1.27	1.35	1.19	1.05	1.15	1.29	1.21	2.70	2.24	4.86	4.69
Core return on common shareholders' equity - trailing 12 months	12.0%	11.7%	11.5%	11.8%	11.8%	12.0%	11.9%	12.1%	11.9%	—	—	—	—

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

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

³ Applied on a quarterly basis.

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

BUSINESS GROWTH

	2018		2017				2016			2018	2017	2017	2016
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	YTD	YTD	Annual	Annual
<i>(In millions of dollars, unless otherwise indicated)</i>													
Individual Insurance													
Sales ¹													
Minimum Premiums	44.3	41.0	46.2	40.5	43.0	40.5	62.6	46.7	43.2	85.3	83.5	170.2	186.4
Excess Premiums	3.1	5.7	6.6	6.2	5.0	6.0	8.8	3.6	5.2	8.8	11.0	23.8	25.7
Total	47.4	46.7	52.8	46.7	48.0	46.5	71.4	50.3	48.4	94.1	94.5	194.0	212.1
Net premiums	378.7	391.8	394.7	363.8	371.8	362.2	383.9	342.8	349.8	770.5	734.0	1,492.5	1,423.6
Individual Wealth Management													
Sales ¹													
General fund	98.0	109.7	83.7	66.6	74.4	91.8	71.0	82.6	82.9	207.7	166.2	316.5	292.8
Segregated funds	445.9	617.6	451.9	423.2	453.8	554.5	383.2	370.2	352.1	1,063.5	1,008.3	1,883.4	1,559.6
Mutual funds	543.9	670.1	559.7	461.8	560.1	783.8	535.4	336.9	316.7	1,214.0	1,343.9	2,365.4	1,474.3
Total	1,087.8	1,397.4	1,095.3	951.6	1,088.3	1,430.1	989.6	789.7	751.7	2,485.2	2,518.4	4,565.3	3,326.7
Net investment fund sales ¹													
Segregated funds	63.4	219.7	101.9	113.3	130.0	164.7	74.1	71.6	53.4	283.1	294.7	509.9	341.7
Mutual funds	(3.2)	45.8	30.7	21.6	76.9	200.0	77.2	(69.1)	(121.3)	42.6	276.9	329.2	(404.4)
Total	60.2	265.5	132.6	134.9	206.9	364.7	151.3	2.5	(67.9)	325.7	571.6	839.1	(62.7)
Assets under management													
General fund	1,265.4	1,217.5	1,191.1	1,164.7	1,173.8	1,166.3	1,140.0	1,130.3	1,080.6	1,265.4	1,173.8	1,191.1	1,140.0
Segregated funds	14,837.3	14,426.6	14,466.2	13,963.2	13,819.7	13,746.2	13,347.7	13,126.3	12,706.3	14,837.3	13,819.7	14,466.2	13,347.7
Mutual funds	11,740.3	11,503.3	11,723.2	11,446.0	11,356.9	11,314.3	10,937.5	10,518.1	10,214.1	11,740.3	11,356.9	11,723.2	10,937.5
Other	4,337.7	4,271.9	4,345.9	4,131.9	4,062.4	4,071.9	3,998.3	3,878.4	3,969.4	4,337.7	4,062.4	4,345.9	3,998.3
Total	32,180.7	31,419.3	31,726.4	30,705.8	30,412.8	30,298.7	29,423.5	28,653.1	27,970.4	32,180.7	30,412.8	31,726.4	29,423.5
Assets under administration ²													
Total	79,901.4	78,487.9	79,300.4	76,421.5	44,011.7	42,833.6	41,354.5	40,696.2	38,844.4	79,901.4	44,011.7	79,300.4	41,354.5
Total	112,082.1	109,907.2	111,026.8	107,127.3	74,424.5	73,132.3	70,778.0	69,349.3	66,814.8	112,082.1	74,424.5	111,026.8	70,778.0
Group Insurance													
Sales ¹													
Employee Plans	56.4	19.5	7.2	35.4	28.9	35.8	23.1	13.1	17.1	75.9	64.7	107.3	71.2
Dealer Services - Creditor Insurance ³	106.6	72.3	99.0	120.3	106.4	75.7	85.5	109.7	101.6	178.9	182.1	401.4	363.0
Dealer Services - P&C	71.4	49.9	49.0	66.1	71.8	46.5	43.8	55.6	58.0	121.3	118.3	233.4	196.9
Special Markets Solutions	56.8	65.0	79.1	54.1	43.5	54.5	59.8	42.9	40.6	121.8	98.0	231.2	194.1
Total sales	291.2	206.7	234.3	275.9	250.6	212.5	212.2	221.3	217.3	497.9	463.1	973.3	825.2

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

² Includes assets related to distribution affiliates.

³ Includes all creditor insurance business sold by the Company.

BUSINESS GROWTH (continued)

	2018		2017				2016			2018	2017	2017	2016
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	YTD	YTD	Annual	Annual
<i>(In millions of dollars, unless otherwise indicated)</i>													
Group Insurance (continued)													
Net premiums and premium equivalents													
Employee Plans	244.3	238.5	237.2	224.7	222.7	222.2	214.0	211.7	209.6	482.8	444.9	906.8	844.4
Dealer Services - Creditor Insurance	73.9	43.3	66.3	84.6	71.5	41.9	51.3	67.6	72.6	117.2	113.4	264.3	233.2
Dealer Services - P&C	31.3	31.4	36.5	30.5	28.4	24.6	26.4	22.4	24.1	62.7	53.0	120.0	94.8
Special Markets Solutions	52.3	61.2	75.4	50.4	39.7	50.9	56.3	39.0	37.1	113.5	90.6	216.4	180.0
Total net premiums	401.8	374.4	415.4	390.2	362.3	339.6	348.0	340.7	343.4	776.2	701.9	1,507.5	1,352.4
Premium equivalents and deposits													
Administrative services only contracts (ASO)	15.9	15.9	13.9	13.0	13.4	13.6	10.8	10.3	11.2	31.8	27.0	53.9	45.0
Investment contracts	19.6	32.2	15.5	14.9	11.0	18.6	19.6	17.9	19.0	51.8	29.6	60.0	74.3
Total	437.3	422.5	444.8	418.1	386.7	371.8	378.4	368.9	373.6	859.8	758.5	1,621.4	1,471.7
Car loans ¹													
Dealer Services - Prime Loan originations ²	—	—	—	—	6.9	35.0	42.3	58.4	73.9	—	41.9	41.9	220.8
Dealer Services - Non-Prime Loan originations	82.6	74.4	62.2	64.9	58.7	50.9	51.6	42.2	41.9	157.0	109.6	236.7	170.3
Dealer Services - Finance receivables ³	605.2	584.6	568.1	562.3	553.3	545.2	505.0	467.4	416.7	605.2	553.3	568.1	505.0
Group Savings and Retirement													
Sales ²													
Accumulation contracts													
General fund	17.8	14.8	8.3	10.2	19.1	10.6	9.6	11.3	9.6	32.6	29.7	48.2	44.6
Segregated funds	323.9	346.4	264.6	287.4	352.4	415.3	339.4	409.0	291.2	670.3	767.7	1,319.7	1,290.3
Total	341.7	361.2	272.9	297.6	371.5	425.9	349.0	420.3	300.8	702.9	797.4	1,367.9	1,334.9
Insured annuities (general fund)	21.0	164.9	45.9	1.6	42.8	31.9	5.5	0.3	20.1	185.9	74.7	122.2	85.1
Deposits	7.3	9.2	15.9	10.0	11.7	17.4	12.7	34.5	4.3	16.5	29.1	55.0	61.4
Total sales	370.0	535.3	334.7	309.2	426.0	475.2	367.2	455.1	325.2	905.3	901.2	1,545.1	1,481.4
Net premiums and deposits													
Net premiums	356.4	519.8	312.4	292.7	407.7	451.1	347.9	413.8	314.0	876.2	858.8	1,463.9	1,393.6
Deposits	7.3	9.2	15.9	10.0	11.7	17.4	12.7	34.5	4.3	16.5	29.1	55.0	61.4
Total	363.7	529.0	328.3	302.7	419.4	468.5	360.6	448.3	318.3	892.7	887.9	1,518.9	1,455.0
Assets under management													
Accumulation contracts													
General fund	219.4	215.9	220.2	233.1	231.2	234.5	237.7	242.6	235.8	219.4	231.2	220.2	237.7
Segregated funds	10,050.3	9,673.5	9,650.8	9,243.9	9,122.3	8,917.9	8,478.1	8,385.0	7,928.6	10,050.3	9,122.3	9,650.8	8,478.1
Other	840.2	831.4	836.9	825.1	825.3	823.9	801.9	841.7	816.7	840.2	825.3	836.9	801.9
Total	11,109.9	10,720.8	10,707.9	10,302.1	10,178.8	9,976.3	9,517.7	9,469.3	8,981.1	11,109.9	10,178.8	10,707.9	9,517.7
Insured annuities (general fund)	3,360.1	3,370.5	3,246.6	3,183.4	3,276.5	3,217.0	3,196.0	3,325.2	3,326.9	3,360.1	3,276.5	3,246.6	3,196.0
Total	14,470.0	14,091.3	13,954.5	13,485.5	13,455.3	13,193.3	12,713.7	12,794.5	12,308.0	14,470.0	13,455.3	13,945.5	12,713.7

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

² The Company exited the prime car loan market in Q2-2017.

³ Includes all car loans (prime and non-prime).

BUSINESS GROWTH (continued)

	2018		2017				2016			2018	2017	2017	206
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	YTD	YTD	Annual	Annual
<i>(In millions of dollars, unless otherwise indicated)</i>													
US Operations¹													
Sales (\$US) ²													
Individual Insurance	21.5	17.3	17.5	17.7	20.0	17.7	16.6	19.0	19.1	38.8	37.7	72.9	71.7
Dealer Services - P&C ³	102.9	88.1	—	—	—	—	—	—	—	191.0	—	—	—
Sales (\$CAN) ²													
Individual Insurance	27.7	21.8	22.1	22.1	26.9	23.4	22.2	24.8	24.6	49.5	50.3	94.5	95.0
Dealer Services - P&C ³	132.8	111.3	—	—	—	—	—	—	—	244.1	—	—	—
Net Premiums (\$CAN)													
Individual Insurance	85.5	81.0	79.5	75.5	79.9	74.9	73.3	67.5	66.7	166.5	154.8	309.8	275.0
Dealer Services - P&C ³	10.5	20.5	—	—	—	—	—	—	—	31.0	—	—	—
Total	96.0	101.5	79.5	75.5	79.9	74.9	73.3	67.5	66.7	197.5	154.8	309.8	275.0
General Insurance													
Sales ²													
iAAH (Auto & Home)	104.8	62.2	64.2	82.5	102.7	59.4	59.4	74.9	91.6	167.0	162.1	308.8	278.6
Net premiums, premium equivalents and deposits by line of business													
Individual Insurance	378.7	391.8	394.7	363.8	371.8	362.2	383.9	342.8	349.8	770.5	734.0	1,492.5	1,423.6
Individual Wealth Management	1,087.8	1,397.4	1,095.3	951.6	1,088.3	1,430.1	989.6	789.7	751.7	2,485.2	2,518.4	4,565.3	3,326.7
Group Insurance	437.3	422.5	444.8	418.1	386.7	371.8	378.4	368.9	373.6	859.8	758.5	1,621.4	1,471.7
Group Savings and Retirement	363.7	529.0	328.3	302.7	419.4	468.5	360.6	448.3	318.3	892.7	887.9	1,518.9	1,455.0
US Operations	96.0	101.5	79.5	75.5	79.9	74.9	73.3	67.5	66.7	197.5	154.8	309.8	275.0
General Insurance ⁴	73.2	71.7	72.8	72.1	68.9	66.7	66.6	63.2	61.0	144.9	135.6	280.5	250.5
Total	2,436.7	2,913.9	2,415.4	2,183.8	2,415.0	2,774.2	2,252.4	2,080.4	1,921.1	5,350.6	5,189.2	9,788.4	8,202.5
Distribution of net premiums, premium equivalents and deposits by region													
Atlantic provinces	3.9%	3.9%	4.1%	4.3%	4.2%	3.6%	4.1%	3.5%	4.2%	3.9%	3.8%	4.0%	4.1%
Quebec	47.4%	39.2%	36.2%	38.2%	40.0%	39.0%	38.6%	43.0%	42.8%	43.0%	39.6%	38.4%	42.5%
Ontario	29.0%	26.5%	29.2%	29.1%	27.2%	30.1%	30.1%	26.1%	28.0%	27.6%	28.8%	29.0%	27.9%
Western provinces	15.7%	26.9%	27.2%	24.9%	25.2%	24.6%	23.9%	24.1%	21.5%	21.8%	24.8%	25.4%	22.1%
Outside Canada	4.0%	3.5%	3.3%	3.5%	3.4%	2.7%	3.3%	3.3%	3.5%	3.7%	3.0%	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%	100.0%	100.0%
Assets under management and administration													
Assets under management													
General fund	39,947.5	39,160.4	37,789.4	37,146.2	37,001.8	36,329.6	35,223.8	37,109.5	35,971.9	39,947.5	37,001.8	37,789.4	35,223.8
Segregated funds	24,887.6	24,100.1	24,117.0	23,207.1	22,942.0	22,664.1	21,825.8	21,511.3	20,634.9	24,887.6	22,942.0	24,117.0	21,825.8
Mutual funds	11,740.3	11,503.3	11,723.2	11,446.0	11,356.9	11,314.3	10,937.5	10,518.1	10,214.1	11,740.3	11,356.9	11,723.2	10,937.5
Other ⁵	15,041.2	14,964.2	15,123.1	15,114.7	16,856.1	17,006.3	16,859.9	16,365.1	16,172.0	15,041.2	16,856.1	15,123.1	16,859.9
Total	91,616.6	89,728.0	88,752.7	86,914.0	88,156.8	87,314.3	84,847.0	85,504.0	82,992.9	91,616.6	88,156.8	88,752.7	84,847.0
Assets under administration													
	81,285.3	79,923.6	80,787.1	77,899.5	44,047.0	42,870.3	41,387.2	40,734.3	38,884.1	81,285.3	44,047.0	80,787.1	41,387.2
Total	172,901.9	169,651.6	169,539.8	164,813.5	132,203.8	130,184.6	126,234.2	126,238.3	121,877.0	172,901.9	132,203.8	169,539.8	126,234.2
Human resources													
Number of employees	6,764	6,548	6,115	6,009	5,775	5,563	5,350	5,339	5,321	6,764	5,775	6,115	5,350
Number of Career representatives	2,139	2,200	2,270	2,203	2,229	2,223	2,157	2,014	2,038	2,139	2,229	2,270	2,157

¹ As at March 31, 2018, the Company presents information relating to its US Operations separately.

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

³ Data first presented in Q1-2018 following the acquisition of IA American Casualty Holdings Inc. (formerly Helios Financial Holdings Corp.).

⁴ Includes iA Auto and Home premiums, other activities that have no link with key segments and some minor consolidation adjustments.

⁵ Mainly assets managed for third parties.

INVESTED ASSETS

<i>(In millions of dollars, unless otherwise indicated)</i>	2018		2017				2016		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Value and distribution of investments									
Book value of investment portfolio	34,805.4	33,992.4	33,821.9	32,368.5	32,656.4	31,593.2	31,090.9	32,491.3	31,435.4
Distribution of investments by financial instrument category									
Available for sale	13.2%	12.6%	12.0%	12.2%	12.4%	13.3%	13.4%	12.8%	11.7%
Fair value through profit or loss (FVTPL)	62.7%	62.8%	63.1%	62.3%	62.7%	61.2%	60.7%	62.5%	63.1%
Loans and receivables	19.3%	19.7%	20.0%	20.8%	20.3%	20.8%	21.0%	20.1%	20.4%
Investment properties	3.9%	4.0%	4.0%	3.8%	3.8%	3.9%	4.0%	3.8%	4.0%
Other	0.9%	0.9%	0.9%	0.9%	0.8%	0.8%	0.9%	0.8%	0.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Distribution of investments by asset category									
Bonds	69.8%	69.2%	67.8%	67.7%	68.5%	68.5%	67.9%	67.1%	66.9%
Stocks	9.7%	9.9%	10.3%	10.1%	10.0%	9.9%	9.9%	9.5%	9.4%
Mortgages and other loans	9.6%	9.7%	9.7%	10.1%	10.0%	10.5%	10.6%	10.1%	10.5%
Investment properties	3.9%	4.0%	4.0%	3.8%	3.8%	3.9%	4.0%	3.8%	4.0%
Policy loans	2.7%	2.7%	2.8%	2.9%	2.9%	3.0%	3.0%	2.8%	2.9%
Cash and short-term investments	2.4%	2.7%	3.4%	3.8%	3.0%	2.6%	2.9%	3.9%	3.1%
Other ¹	1.9%	1.8%	2.0%	1.6%	1.8%	1.6%	1.7%	2.8%	3.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Distribution of investments by region									
Atlantic provinces	3.1%	3.1%	3.2%	3.4%	3.4%	3.5%	3.5%	3.9%	3.8%
Quebec	28.2%	28.8%	29.7%	30.5%	31.4%	32.5%	33.4%	34.2%	33.6%
Ontario	33.1%	32.1%	31.8%	31.7%	31.3%	29.5%	28.8%	28.3%	29.7%
Western provinces	18.1%	18.3%	18.4%	18.0%	17.5%	18.6%	17.6%	17.3%	16.6%
Outside Canada	17.5%	17.7%	16.9%	16.4%	16.4%	15.9%	16.7%	16.4%	16.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.1%	100.0%
Impaired investments and provisions									
Gross impaired investments (excluding insured loans)	24.7	27.3	30.9	31.1	31.5	31.6	29.0	17.8	17.5
Provisions for impaired investments (specific)	6.1	6.9	7.5	5.6	5.6	5.7	5.6	5.1	4.8
As a % of gross impaired investments	24.7%	25.3%	24.3%	18.0%	17.8%	18.0%	19.3%	28.7%	27.4%
Net impaired investments (excluding insured loans)									
Bonds	15.1	15.1	15.1	16.8	16.8	16.9	16.9	6.0	6.0
Mortgages and other loans	3.5	5.3	8.3	8.7	9.1	9.0	6.5	6.7	6.7
Total	18.6	20.4	23.4	25.5	25.9	25.9	23.4	12.7	12.7
Net impaired investments as a % of investment portfolio	0.05%	0.06%	0.07%	0.08%	0.08%	0.08%	0.08%	0.04%	0.04%
Provisions for losses (collective and specific)									
At beginning of period	13.4	13.9	11.8	10.7	10.9	10.1	8.8	8.5	5.8
Increase for the period	6.1	5.7	7.4	5.4	4.2	5.3	6.5	4.0	6.4
Decrease for the period	(6.0)	(6.2)	(5.3)	(4.3)	(4.4)	(4.5)	(5.2)	(3.7)	(3.7)
At end of period	13.5	13.4	13.9	11.8	10.7	10.9	10.1	8.8	8.5
Provisions for losses by type of investment (collective and specific)									
Bonds	5.7	5.7	5.7	4.1	4.1	4.1	4.1	3.5	3.5
Mortgages	0.3	1.0	1.8	1.5	1.5	1.5	1.5	1.2	1.2
Car loans	7.5	6.7	6.4	6.2	5.1	5.3	4.5	4.1	3.8
Total	13.5	13.4	13.9	11.8	10.7	10.9	10.1	8.8	8.5
Other quality measure									
Car loans - Average credit loss rate (trailing 12 months) ²	3.6%	3.4%	3.2%	3.1%	3.2%	3.3%	3.5%	3.5%	—

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

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

INVESTED ASSETS (continued)									
<i>(In millions of dollars, unless otherwise indicated)</i>	2018		2017				2016		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Real estate acquired to settle loans									
Real estate held for resale	4.7	4.6	10.2	10.1	10.5	10.8	10.9	10.6	10.5
Bonds									
Book value of the bond portfolio	24,314.1	23,514.4	22,944.1	21,935.5	22,338.0	21,604.9	21,086.8	21,833.8	21,039.6
Distribution by financial instrument category									
Available for sale	17.0%	16.3%	15.8%	16.1%	16.5%	17.6%	18.1%	17.5%	16.1%
Fair value through profit or loss (FVTPL)	74.5%	74.9%	75.3%	74.6%	74.6%	73.2%	72.5%	73.3%	74.6%
Loans and receivables	8.5%	8.8%	8.9%	9.3%	8.9%	9.2%	9.4%	9.2%	9.3%
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	5.05%	5.70%	4.85%	4.41%	4.83%	3.94%	5.08%	3.77%	3.34%
Rating - AA	35.20%	33.81%	34.19%	33.76%	32.44%	31.05%	29.35%	28.55%	30.74%
Rating - A	42.37%	43.19%	43.63%	43.73%	44.39%	46.97%	47.85%	49.61%	48.83%
Rating - BBB	16.57%	16.44%	16.34%	17.25%	17.68%	17.36%	16.96%	17.41%	16.40%
Rating - BB and lower	0.81%	0.86%	0.99%	0.85%	0.66%	0.68%	0.76%	0.66%	0.69%
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	51.3%	51.5%	52.0%	50.7%	50.5%	51.2%	51.4%	51.3%	52.0%
Municipalities	4.9%	4.9%	5.0%	4.9%	4.7%	4.5%	4.4%	4.8%	5.0%
Corporates - Public issues	26.7%	26.7%	26.1%	26.7%	27.4%	27.1%	26.2%	26.0%	25.1%
Corporates - Private issues	17.1%	16.9%	16.9%	17.7%	17.4%	17.2%	18.0%	17.9%	17.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mortgages and other loans									
Book value of mortgage and other loans portfolio	3,324.5	3,304.8	3,288.1	3,255.2	3,277.3	3,311.5	3,292.3	3,265.7	3,286.2
Book value of mortgages	2,720.4	2,719.5	2,718.5	2,690.3	2,718.9	2,761.6	2,776.5	2,795.0	2,867.0
Book value of other loans	604.1	585.3	569.6	564.9	558.4	549.9	515.8	470.7	419.2
Distribution by financial instrument category									
Held for trading	2.4%	2.0%	1.9%	1.9%	1.7%	1.6%	1.7%	1.7%	1.9%
Loans and receivables	97.6%	98.0%	98.1%	98.1%	98.3%	98.4%	98.3%	98.3%	98.1%
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	35.3%	35.2%	35.5%	35.7%	34.8%	33.0%	32.2%	31.1%	30.5%
Multi-residential	56.8%	57.2%	56.7%	56.0%	56.5%	55.7%	56.1%	56.7%	56.8%
Non-residential	7.9%	7.6%	7.8%	8.3%	8.7%	11.3%	11.7%	12.2%	12.7%
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	76.2%	76.8%	78.1%	78.1%	78.7%	77.3%	77.1%	76.5%	75.7%
Conventional	23.8%	23.2%	21.9%	21.9%	21.3%	22.7%	22.9%	23.5%	24.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

INVESTED ASSETS (continued)

(In millions of dollars, unless otherwise indicated)	2018		2017				2016		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Mortgages									
Other quality measures									
Delinquency rate ¹									
Insured loans	0.16%	0.14%	0.13%	0.13%	0.14%	0.15%	0.02%	0.03%	0.02%
Conventional loans	—	0.36%	1.10%	1.10%	1.24%	1.10%	1.10%	1.04%	1.03%
Total	0.12%	0.19%	0.34%	0.34%	0.37%	0.37%	0.27%	0.27%	0.26%
Delinquency rate, including real estate acquired to settle loans	0.29%	0.36%	0.71%	0.72%	0.76%	0.76%	0.66%	0.65%	0.63%
Stocks									
Book value of the stock portfolio	3,363.0	3,378.9	3,467.0	3,271.0	3,278.5	3,139.9	3,083.0	3,072.6	2,959.4
Distribution by financial instrument category									
Available for sale	13.3%	12.7%	12.8%	12.4%	11.7%	13.1%	11.8%	10.4%	10.2%
Fair value through profit or loss (FVTPL)	86.7%	87.3%	87.2%	87.6%	88.3%	86.9%	88.2%	89.6%	89.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Distribution by category									
Common	56.1%	54.3%	53.7%	52.5%	52.0%	51.9%	52.3%	53.2%	53.5%
Preferred	18.7%	18.3%	18.3%	19.3%	18.7%	20.0%	19.7%	17.7%	17.8%
Market indices	11.0%	13.8%	14.3%	14.0%	15.2%	13.5%	13.7%	14.9%	14.5%
Investment fund units and other	14.2%	13.6%	13.7%	14.2%	14.1%	14.6%	14.3%	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	55.9%	57.8%	57.2%	56.3%	56.9%	53.3%	54.4%	56.1%	56.1%
Backing UL accounts	26.7%	25.4%	25.8%	26.7%	26.4%	27.5%	27.7%	27.4%	27.5%
Backing capital	17.4%	16.8%	17.0%	17.0%	16.7%	19.2%	17.9%	16.5%	16.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Real estate									
Investment properties	1,356.8	1,343.0	1,340.8	1,228.2	1,249.8	1,236.0	1,237.8	1,250.4	1,252.8
Linearization of rents	14.2	13.8	13.0	11.6	11.1	10.7	10.1	10.5	9.8
Fair value of investment properties	1,371.0	1,356.8	1,353.8	1,239.8	1,260.9	1,246.7	1,247.9	1,260.9	1,262.6
Occupancy rate on investment properties	92.0%	92.0%	93.0%	89.0%	92.0%	89.5%	90.2%	89.4%	89.4%
Other									
Provision for potential loss on fixed-income securities contained in the policy liabilities	346.7	335.3	335.7	323.3	361.0	327.4	326.6	324.0	340.3

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

SOLVENCY AND CAPITALIZATION									
(In millions of dollars, unless otherwise indicated)	2018		2017				2016		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Capital structure									
Debentures	1,000.8	1,000.4	996.3	996.1	995.8	995.6	995.3	1,244.4	846.3
Participating policyholders' accounts	42.1	41.5	41.0	39.4	39.3	39.3	39.0	45.7	45.4
Equity									
Common shares	1,669.9	1,668.0	1,520.9	1,512.9	1,511.4	1,505.5	1,498.8	1,328.5	1,315.0
Preferred shares	525.0	525.0	375.0	375.0	375.0	375.0	375.0	375.0	375.0
Contributed surplus	21.0	20.1	19.5	19.7	18.7	18.5	18.5	21.1	22.6
Retained earnings	3,383.0	3,213.2	3,130.8	3,052.4	2,908.9	2,848.0	2,793.2	2,546.3	2,458.7
Accumulated other comprehensive income	29.1	36.7	48.9	27.4	62.0	81.4	40.1	79.1	61.9
Total shareholders' equity	<u>5,628.0</u>	<u>5,463.0</u>	<u>5,095.1</u>	<u>4,987.4</u>	<u>4,876.0</u>	<u>4,828.4</u>	<u>4,725.6</u>	<u>4,350.0</u>	<u>4,233.2</u>
Total capital structure	<u>6,670.9</u>	<u>6,504.9</u>	<u>6,132.4</u>	<u>6,022.9</u>	<u>5,911.1</u>	<u>5,863.3</u>	<u>5,759.9</u>	<u>5,640.1</u>	<u>5,124.9</u>
Debt measures									
Debentures/capital structure	15.0%	15.4%	16.2%	16.5%	16.8%	17.0%	17.3%	22.1%	16.5%
Debentures and preferred shares/capital structure	22.9%	23.5%	22.4%	22.8%	23.2%	23.4%	23.8%	28.7%	23.8%
Coverage ratio (in number of times) ¹	14.4	14.1	13.3	12.7	12.5	13.0	12.8	10.3	9.5
Credit ratings									
	Standard & Poor's			DBRS			A.M. Best		
Financial Strength	A+			A (high)			A+ (Superior)		
Debentures	A			A			a		
Preferred Shares	A-			Pfd-2 (high)			a-		

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

SOLVENCY AND CAPITALIZATION (continued)

<i>(In millions of dollars, unless otherwise indicated)</i>	2018		2017				2016		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Solvency ratio CARL^{1,2}									
Available capital									
Tier 1 Capital:									
Common shares	1,669.9	1,668.0	1,520.9	—	—	—	—	—	—
Preferred shares	525.0	525.0	375.0	—	—	—	—	—	—
Other Tier 1 capital instruments	—	—	—	—	—	—	—	—	—
Adjusted Retained Earnings	3,369.5	3,204.5	3,125.5	—	—	—	—	—	—
Other	96.9	101.8	107.9	—	—	—	—	—	—
Gross Tier 1	5,661.3	5,499.3	5,129.3	—	—	—	—	—	—
Deductions for Goodwill and Other intangibles assets	(1,176.0)	(1,120.1)	(853.9)	—	—	—	—	—	—
Other Tier 1 Deductions	(1,231.5)	(1,232.6)	(1,165.3)	—	—	—	—	—	—
Tier 1	3,253.8	3,146.6	3,110.1	—	—	—	—	—	—
Tier 2 Capital									
Subordinated debt	996.8	996.6	996.3	—	—	—	—	—	—
Other Tier 2 capital instruments	—	—	—	—	—	—	—	—	—
Other	589.2	634.5	612.9	—	—	—	—	—	—
Gross Tier 2	1,586.0	1,631.1	1,609.2	—	—	—	—	—	—
Tier 2 Deductions	(231.7)	(256.2)	(197.1)	—	—	—	—	—	—
Tier 2	1,354.3	1,374.9	1,412.1	—	—	—	—	—	—
Available capital	4,608.1	4,521.5	4,522.2	—	—	—	—	—	—
Surplus Allowance and Eligible Deposits	4,010.9	4,066.7	4,157.9	—	—	—	—	—	—
Base Solvency Buffer									
Credit Risk	824.9	847.3	822.7	—	—	—	—	—	—
Market Risk	2,622.4	2,707.9	2,870.8	—	—	—	—	—	—
Insurance Risk	3,387.9	3,339.6	3,303.8	—	—	—	—	—	—
Segregated Fund Guarantees Risk	453.6	449.6	442.9	—	—	—	—	—	—
Operational Risk	530.6	527.3	533.2	—	—	—	—	—	—
Diversification and Other Credits	(1,112.5)	(1,102.7)	(1,105.9)	—	—	—	—	—	—
Base Solvency Buffer ³	7,042.3	7,107.5	7,210.9	—	—	—	—	—	—
Total Ratio	122%	121%	120%	—	—	—	—	—	—

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

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

³ Including the scalar of 1.05

SOLVENCY AND CAPITALIZATION (continued)

(In millions of dollars, unless otherwise indicated)	2018		2017				2016		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Solvency ratio CAR^{1,2}									
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
Preferred shares	—	—	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
Other	—	—	(127.3)	62.3	65.1	80.4	64.0	35.9	25.3
Gross Tier 1 capital	—	—	4,906.0	5,010.7	4,867.1	4,818.1	4,740.1	4,295.4	4,183.1
Less:									
Goodwill and other intangible assets	—	—	1,157.8	1,147.3	867.6	847.6	841.9	818.5	843.1
Adjustment for intangible assets	—	—	(245.3)	(250.5)	(243.4)	(240.9)	(237.0)	(214.8)	(209.2)
Adjustment for negative reserves	—	—	107.4	8.1	—	—	—	—	—
Other	—	—	7.7	6.8	7.9	4.8	3.7	4.9	3.7
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
Less: deductions and adjustments	—	—	123.7	113.3	83.6	79.8	77.0	78.8	76.5
Adjusted Net Tier 1 capital	—	—	3,754.7	3,985.7	4,151.4	4,126.8	4,054.5	3,608.0	3,469.0
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
Other (Tier 2A and Tier 2C)	—	—	281.5	144.4	151.3	113.4	84.3	193.2	173.7
Less: deductions	—	—	123.7	113.3	83.6	79.8	77.0	78.8	76.5
Total Tier 2 capital allowed	—	—	1,154.1	1,027.2	1,063.5	1,029.2	1,002.6	1,358.8	943.5
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
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
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
Insurance risk	—	—	744.9	790.5	803.9	776.5	764.5	801.4	782.8
Interest rate risk	—	—	414.1	382.1	389.2	371.2	361.5	379.6	368.2
Total required capital	—	—	2,353.3	2,351.0	2,369.1	2,317.7	2,250.6	2,275.9	2,219.2
Solvency ratio	—	—	209%	213%	220%	222%	225%	218%	199%

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

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

MACROECONOMIC SENSITIVITY¹

	2018		2017				2016		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Equity Market Sensitivity									
Reference index (S&P/TSX Index (in points)) ²	16,278	15,367	16,209	15,635	15,182	15,548	15,288	14,726	14,065
Level of S&P/TSX before reserves require strengthening for future policy benefits (in points) ³	11,800	11,400	11,300	11,700	11,400	11,300	11,400	10,000	9,800
Variation	(28%)	(26%)	(30%)	(25%)	(25%)	(27%)	(25%)	(32%)	(30%)
Solvency ratio (CAR ³) ¹	—	—	209%	213%	220%	222%	225%	218%	199%
Level of S&P/TSX at which solvency ratio would be 175% (in points) ⁴	—	—	8,600	8,400	7,800	7,700	7,400	7,300	8,600
Variation	—	—	(47%)	(46%)	(49%)	(50%)	(52%)	(50%)	(39%)
Level of S&P/TSX at which solvency ratio would be 150% (in points) ⁴	—	—	6,700	6,400	5,800	5,700	5,600	5,800	6,800
Variation	—	—	(59%)	(59%)	(62%)	(63%)	(63%)	(61%)	(52%)
Solvency ratio (CARLI ⁵) ¹	122%	121%	—	—	—	—	—	—	—
Level of S&P/TSX at which solvency ratio would be 112% (in points) ⁴	8,800	9,400	—	—	—	—	—	—	—
Variation	(46%)	(39%)	—	—	—	—	—	—	—
Level of S&P/TSX at which solvency ratio would be 100% (in points) ⁴	5,400	6,000	—	—	—	—	—	—	—
Variation	(67%)	(61%)	—	—	—	—	—	—	—
Impact on Solvency ratio (CARLI ⁵) ¹ of a sudden change in equity markets ⁶									
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) ⁷									
	(32)	(31)	(32)	(30)	(29)	(29)	(28)	(29)	(28)
Interest Rate Sensitivity									
Impact on net income (in \$M)									
10 bps decrease in initial reinvestment rate (IRR)	(11)	(13)	(18)	(15)	(23)	(23)	(24)	(25)	(31)
10 bps decrease in ultimate reinvestment rate (URR)	(70)	(70)	(71)	(61)	(65)	(62)	(62)	(66)	(65)
Total	(81)	(83)	(89)	(76)	(88)	(85)	(86)	(91)	(96)
Impact on Solvency ratio (CARLI ⁵) ¹ of a sudden change in interest rate ⁸									
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.

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

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

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

⁴ Compared to actual levels of the index on the dates shown.

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

⁶ Capital sensitivities are disclosed once a year with Q4 results and in other quarters if judged necessary.

⁷ Impact on net income on a full-year basis.

⁸ Interest rate variation represents an immediate parallel change in interest rates (entire yield curve), at quarter-end.

SHARE INFORMATION

	2018		2017				2016			2018	2017	2017	2016
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	YTD	YTD	Annual	Annual
<i>(In millions of dollars, unless otherwise indicated)</i>													
Common shares													
Share price													
High	\$55.03	\$62.01	\$61.73	\$58.37	\$58.68	\$59.41	\$58.05	\$48.38	\$43.30	\$62.01	\$59.41	\$61.73	\$58.05
Low	\$48.67	\$51.34	\$55.90	\$51.82	\$48.74	\$53.10	\$46.84	\$39.26	\$38.47	\$48.67	\$48.74	\$48.74	\$35.00
Close	\$50.75	\$53.00	\$59.82	\$56.50	\$56.26	\$57.63	\$53.39	\$47.23	\$40.61	\$50.75	\$56.26	\$59.82	\$53.39
Average share price	\$52.52	\$56.21	\$59.04	\$55.42	\$54.01	\$56.55	\$53.44	\$45.18	\$41.04	\$54.49	\$56.55	\$55.98	\$44.84
Number of common shares outstanding (in millions)													
At beginning of period	109.6	106.8	106.6	106.5	106.4	106.2	102.9	102.6	102.5	106.8	106.2	106.2	102.4
Common shares issued ¹	—	2.8	0.2	0.1	0.1	0.2	3.3	0.3	0.1	2.8	0.3	0.6	3.8
Common shares repurchased and cancelled	—	—	—	—	—	—	—	—	—	—	—	—	—
At end of period	109.6	109.6	106.8	106.6	106.5	106.4	106.2	102.9	102.6	109.6	106.5	106.8	106.2
Weighted average number of common shares (in millions)													
Basic	109.6	107.5	106.6	106.5	106.4	106.2	103.5	102.7	102.5	108.5	106.2	106.5	102.8
Diluted	110.2	108.2	107.5	107.3	107.2	107.2	104.5	103.3	103.0	109.2	107.2	107.3	103.4
Dividends													
Common dividends paid	41.6	40.6	40.6	37.3	37.2	37.2	33.0	32.8	32.8	82.2	74.4	152.3	129.4
Dividend paid per common share in the period	\$0.38	\$0.38	\$0.38	\$0.35	\$0.35	\$0.35	\$0.32	\$0.32	\$0.32	\$0.76	\$0.70	\$1.43	\$1.26
Dividend payout ratio ²	26%	29%	30%	26%	29%	34%	21%	23%	24%	28%	31%	30%	24%
Dividend yield (annualized) ³	3.0%	2.9%	2.5%	2.5%	2.5%	2.4%	2.4%	2.7%	3.2%	3.0%	2.5%	2.4%	2.4%
Stock options													
Number of stock options outstanding (in millions)													
At beginning of period	3.0	2.7	2.9	3.0	3.1	2.8	3.3	3.6	3.7	2.7	2.8	2.8	3.3
Options granted	—	0.3	—	—	—	0.5	—	—	—	0.3	0.5	0.5	0.5
Options exercised, cancelled or expired	(0.1)	—	(0.2)	(0.1)	(0.1)	(0.2)	(0.5)	(0.3)	(0.1)	(0.1)	(0.3)	(0.6)	(1.0)
At end of period	2.9	3.0	2.7	2.9	3.0	3.1	2.8	3.3	3.6	2.9	3.0	2.7	2.8

¹ 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.

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

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

SHARE INFORMATION (continued)

(In millions of dollars, unless otherwise indicated)	2018		2017				2016			2018	2017	2017	2016
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	YTD	YTD	Annual	Annual
Valuation													
Price-to-earnings multiple (trailing 12 months) ¹ (in number of times)	9.6	10.5	12.5	11.3	11.2	11.3	10.3	12.6	11.8	9.6	11.2	12.5	10.3
Market capitalization	5,562.7	5,807.2	6,386.2	6,020.3	5,992.8	6,129.4	5,670.3	4,860.5	4,166.1	5,562.7	5,992.8	6,386.2	5,670.3
Book value per common share	\$46.56	\$45.05	\$44.20	\$43.27	\$42.26	\$41.86	\$40.97	\$38.63	\$37.60	\$46.56	\$42.26	\$44.20	\$40.97
Market value to book value ratio (in number of times)	1.1	1.2	1.4	1.3	1.3	1.4	1.3	1.2	1.1	1.1	1.3	1.4	1.3
Total payout ratio (trailing 12 months) ²	28%	29%	30%	27%	26%	25%	24%	33%	35%	28%	26%	30%	24%
Capital yield (trailing 12 months) ³	2.9%	2.7%	2.4%	2.4%	2.3%	2.2%	2.3%	2.6%	3.0%	2.9%	2.3%	2.4%	2.3%
Total return on common shares (trailing 12 months) ⁴	(7.1%)	(5.5%)	14.7%	22.5%	41.8%	50.4%	23.8%	21.7%	(0.4%)	(7.1%)	41.8%	14.7%	23.8%
Preferred shares													
Number of preferred shares outstanding (in thousands)													
Series B	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Series F	—	—	—	—	—	—	—	—	—	—	—	—	—
Series G	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Series I	6,000	6,000	—	—	—	—	—	—	—	6,000	—	—	—
Value of preferred shares													
Series B	125	125	125	125	125	125	125	125	125	125	125	125	125
Series F	—	—	—	—	—	—	—	—	—	—	—	—	—
Series G	250	250	250	250	250	250	250	250	250	250	250	250	250
Series I	150	150	—	—	—	—	—	—	—	150	—	—	—
Dividends paid per preferred share													
Series B	\$0.2875	—	\$0.2875	\$0.2875	\$0.2875	\$0.2875	\$0.2875	\$0.2875	\$0.2875	\$0.2875	\$0.5750	\$1.1500	\$1.1500
Series F	—	—	—	—	—	—	—	—	—	—	—	—	—
Series G	\$0.23606	—	\$0.23606	\$0.23606	\$0.26875	\$0.26875	\$0.26875	\$0.26875	\$0.26875	\$0.23606	\$0.53750	\$1.00963	\$1.07500
Series I	—	—	—	—	—	—	—	—	—	—	—	—	—

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

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

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

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

CONSOLIDATED INCOME STATEMENTS
INCOME STATEMENTS

	2018		2017				2016			2018	2017	2017	2016
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	YTD	YTD	Annual	Annual
<i>(In millions of dollars, unless otherwise indicated)</i>													
Revenues													
Net premiums	1,850.0	2,186.5	1,810.1	1,684.5	1,818.4	1,940.8	1,673.9	1,680.8	1,569.9	4,036.5	3,759.2	7,253.8	6,547.5
Investment income													
Investment income	329.0	326.9	340.1	287.9	292.3	300.2	314.4	291.9	271.8	655.9	592.5	1,220.5	1,135.1
Variation in the market value of investment properties	31.7	(2.5)	(28.0)	(0.8)	(1.7)	(9.2)	(9.4)	(7.9)	(1.5)	29.2	(10.9)	(39.7)	(23.3)
Realized gains (losses) on assets available for sale	1.1	3.1	0.4	(3.7)	6.4	(2.0)	(4.7)	(3.9)	(0.1)	4.2	4.4	1.1	(2.2)
Change in fair value of financial assets designated at FVTPL	128.5	(372.1)	1,145.8	(711.1)	671.3	314.4	(1,594.5)	486.0	991.8	(243.6)	985.7	1,420.4	501.4
Change in provisions for losses	(5.4)	(4.8)	(7.3)	(5.3)	(3.8)	(5.0)	(5.0)	(3.9)	(6.5)	(10.2)	(8.8)	(21.4)	(17.8)
Total	484.9	(49.4)	1,451.0	(433.0)	964.5	598.4	(1,299.2)	762.2	1,255.5	435.5	1,562.9	2,580.9	1,593.2
Other revenues	437.8	435.0	419.1	371.3	333.2	317.8	309.4	302.6	305.9	872.8	651.0	1,441.4	1,206.2
Total	2,772.7	2,572.1	3,680.2	1,622.8	3,116.1	2,857.0	684.1	2,745.6	3,131.3	5,344.8	5,973.1	11,276.1	9,346.9
Policy benefits and expenses													
Net benefits and claims on contracts	1,201.2	1,280.8	1,134.2	1,064.4	1,113.3	1,188.6	1,130.7	1,047.3	990.1	2,482.0	2,301.9	4,500.5	4,186.5
Net transfer to segregated funds	170.6	315.1	168.0	192.5	279.4	380.8	88.9	240.0	183.5	485.7	660.2	1,020.7	743.8
Increase (decrease) in insurance contract liabilities	350.8	(49.9)	873.2	(577.7)	937.7	492.8	(1,620.0)	642.9	1,212.5	300.9	1,430.5	1,726.0	1,099.1
Increase (decrease) in investment contract liabilities	2.1	1.4	7.9	(4.9)	4.6	6.4	(11.4)	6.3	12.0	3.5	11.0	14.0	12.0
Decrease (increase) in reinsurance assets	32.5	66.1	553.6	70.7	(40.0)	(4.5)	240.4	14.5	(77.7)	98.6	(44.5)	579.8	122.2
Commissions	410.9	408.8	417.7	367.3	336.2	327.5	351.3	316.6	318.1	819.7	663.7	1,448.7	1,282.1
General expenses	331.9	323.9	300.0	272.1	274.4	274.9	272.5	241.0	251.6	655.8	549.3	1,121.4	1,018.0
Premium and other taxes	31.0	31.0	31.1	28.4	29.9	28.7	28.8	27.5	29.4	62.0	58.6	118.1	112.2
Financing charges	16.5	16.6	16.4	15.5	15.8	16.3	19.9	18.9	20.3	33.1	32.1	64.0	76.9
Total	2,547.5	2,393.8	3,502.1	1,428.3	2,951.3	2,711.5	501.1	2,555.0	2,939.8	4,941.3	5,662.8	10,593.2	8,652.8
Income before income taxes	225.2	178.3	178.1	194.5	164.8	145.5	183.0	190.6	191.5	403.5	310.3	682.9	694.1
Income taxes	59.4	34.8	39.9	45.7	33.1	30.8	30.5	41.8	47.5	94.2	63.9	149.5	146.4
Net income	165.8	143.5	138.2	148.8	131.7	114.7	152.5	148.8	144.0	309.3	246.4	533.4	547.7
Net income attributed to participating policyholders	0.6	0.5	1.6	0.1	—	0.3	(6.7)	0.3	0.4	1.1	0.3	2.0	(6.0)
Net income attributed to shareholders	165.2	143.0	136.6	148.7	131.7	114.4	159.2	148.5	143.6	308.2	246.1	531.4	553.7
Dividends attributed to preferred shares	6.1	3.8	3.8	3.8	4.2	4.1	4.2	4.1	4.1	9.9	8.3	15.9	16.5
Redemption premium on preferred shares	—	—	—	—	—	—	—	—	—	—	—	—	—
Net income attributed to common shareholders	159.1	139.2	132.8	144.9	127.5	110.3	155.0	144.4	139.5	298.3	237.8	515.5	537.2

CONSOLIDATED COMPREHENSIVE INCOME STATEMENTS
COMPREHENSIVE INCOME

	2018		2017				2016			2018	2017	2017	2016
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	YTD	YTD	Annual	Annual
<i>(In millions of dollars, unless otherwise indicated)</i>													
Comprehensive income statements													
Net income	165.8	143.5	138.2	148.8	131.7	114.7	152.5	148.8	144.0	309.3	246.4	533.4	547.7
Other comprehensive income (loss), net of income taxes													
Items that will be reclassified subsequently to net income													
Available for sale													
Unrealized gains (losses) arising during the period													
Bonds	(7.1)	(13.0)	13.6	(35.4)	(1.4)	22.9	(56.1)	6.9	27.4	(20.1)	21.5	(0.3)	(10.3)
Stocks	(1.7)	(2.0)	4.5	3.1	(2.4)	18.2	10.3	6.4	1.7	(3.7)	15.8	23.4	5.4
Reclassification of losses (gains) included in the net income													
Bonds	(0.1)	(4.0)	(0.1)	2.2	(5.1)	1.2	2.6	(0.5)	—	(4.1)	(3.9)	(1.8)	(3.0)
Stocks	(0.7)	1.7	(0.5)	0.1	0.9	0.2	0.8	3.4	0.1	1.0	1.1	0.7	4.6
Change in unrealized gains (losses) on available for sale financial assets	(9.6)	(17.3)	17.5	(30.0)	(8.0)	42.5	(42.4)	16.2	29.2	(26.9)	34.5	22.0	(3.3)
Cash-flow hedge	(0.1)	(0.9)	3.3	(2.0)	0.6	—	—	0.3	(0.4)	(1.0)	0.6	1.9	(0.1)
Currency translation account													
Unrealized gains (losses) on currency translation in foreign operations	18.9	27.0	0.6	(23.5)	(17.5)	(4.0)	13.6	4.6	1.9	45.9	(21.5)	(44.4)	(13.9)
Hedges of net investment in foreign operations	(16.8)	(21.0)	0.1	20.9	5.5	2.8	(10.2)	(3.9)	(3.6)	(37.8)	8.3	29.3	(0.7)
Items that will not be reclassified subsequently to net income													
Remeasurement of post-employment benefits	52.9	(14.3)	(14.0)	36.1	(28.7)	(21.5)	124.2	(23.5)	(18.6)	38.6	(50.2)	(28.1)	11.9
Total other comprehensive income (loss)	45.3	(26.5)	7.5	1.5	(48.1)	19.8	85.2	(6.3)	8.5	18.8	(28.3)	(19.3)	(6.1)
Comprehensive income	211.1	117.0	145.7	150.3	83.6	134.5	237.7	142.5	152.5	328.1	218.1	514.1	541.6
Comprehensive income attributed to shareholders	210.5	116.5	144.1	150.2	83.6	134.2	244.4	142.2	152.1	327.0	217.8	512.1	547.6
Comprehensive income attributed to participating policyholders	0.6	0.5	1.6	0.1	—	0.3	(6.7)	0.3	0.4	1.1	0.3	2.0	(6.0)

DETAIL OF ACCUMULATED OTHER COMPREHENSIVE INCOME

	2018		2017				2016			2018	2017	2017	2016
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	YTD	YTD	Annual	Annual
<i>(In millions of dollars, unless otherwise indicated)</i>													
Accumulated other comprehensive income (loss)													
Balance at beginning of period	36.7	48.9	27.4	62.0	81.4	40.1	79.1	61.9	34.8	48.9	40.1	40.1	58.1
Transfer of post-employment benefits to retained earnings	(52.9)	14.3	14.0	(36.1)	28.7	21.5	(124.2)	23.5	18.6	(38.6)	50.2	28.1	(11.9)
Total other comprehensive income	45.3	(26.5)	7.5	1.5	(48.1)	19.8	85.2	(6.3)	8.5	18.8	(28.3)	(19.3)	(6.1)
Balance at end of period	29.1	36.7	48.9	27.4	62.0	81.4	40.1	79.1	61.9	29.1	62.0	48.9	40.1
Sources of accumulated other comprehensive income (loss)													
Bonds	3.5	10.7	27.7	14.2	47.4	53.9	29.8	83.3	76.9	3.5	47.4	27.7	29.8
Stocks	4.3	6.7	7.0	3.0	(0.2)	1.3	(17.1)	(28.2)	(38.0)	4.3	(0.2)	7.0	(17.1)
Cash-flow hedge	0.8	0.9	1.8	(1.5)	0.5	(0.1)	(0.1)	(0.1)	(0.4)	0.8	0.5	1.8	(0.1)
Currency translation account	20.5	18.4	12.4	11.7	14.3	26.3	27.5	24.1	23.4	20.5	14.3	12.4	27.5
Total	29.1	36.7	48.9	27.4	62.0	81.4	40.1	79.1	61.9	29.1	62.0	48.9	40.1

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
FINANCIAL POSITION

	2018		2017				2016		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<i>(In millions of dollars, unless otherwise indicated)</i>									
Assets									
Invested assets									
Cash and short-term investments	846.9	912.9	1,140.7	1,236.7	965.0	825.0	911.9	1,252.5	969.9
Bonds	24,314.1	23,514.4	22,944.1	21,935.5	22,338.0	21,604.9	21,086.8	21,833.8	21,039.6
Stocks	3,363.0	3,378.9	3,467.0	3,271.0	3,278.5	3,139.9	3,083.0	3,072.6	2,959.4
Mortgages and other loans	3,324.5	3,304.8	3,288.1	3,255.2	3,277.3	3,311.5	3,292.3	3,265.7	3,286.2
Derivative financial instruments	360.9	305.1	395.0	233.3	308.8	248.5	262.5	649.4	766.8
Policy loans	923.7	923.9	946.2	926.0	961.3	954.4	945.9	910.1	908.4
Other invested assets ¹	315.5	309.4	300.0	282.6	277.7	273.0	270.7	256.8	252.3
Investment properties	1,356.8	1,343.0	1,340.8	1,228.2	1,249.8	1,236.0	1,237.8	1,250.4	1,252.8
Total investments	34,805.4	33,992.4	33,821.9	32,368.5	32,656.4	31,593.2	31,090.9	32,491.3	31,435.4
Other assets¹	2,286.4	2,363.4	1,903.0	2,173.9	1,940.5	2,408.1	1,818.5	2,112.3	2,005.6
Reinsurance assets	898.9	885.6	481.5	1,037.0	1,137.7	1,121.3	1,121.9	1,340.6	1,345.6
Fixed assets	270.0	265.8	256.5	253.9	241.3	202.0	194.7	185.2	179.3
Deferred income tax assets	26.3	28.0	21.9	22.1	27.8	26.6	25.7	30.5	31.5
Intangible assets	1,039.9	994.9	827.1	798.0	681.2	665.3	659.4	643.4	636.7
Goodwill	620.6	630.3	477.5	492.8	316.9	313.1	312.7	306.2	337.8
General fund assets	39,947.5	39,160.4	37,789.4	37,146.2	37,001.8	36,329.6	35,223.8	37,109.5	35,971.9
Segregated funds net assets	24,887.6	24,100.1	24,117.0	23,207.1	22,942.0	22,664.1	21,825.8	21,511.3	20,634.9
Total assets	64,835.1	63,260.5	61,906.4	60,353.3	59,943.8	58,993.7	57,049.6	58,620.8	56,606.8

¹ 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)

<i>(In millions of dollars, unless otherwise indicated)</i>	2018		2017				2016		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Liabilities									
Insurance contract liabilities									
Provisions for future policy benefits	25,334.9	24,955.4	24,963.6	24,090.1	24,722.3	23,828.1	23,346.2	24,928.2	24,268.3
Provisions for dividends to policyholders and experience rating refunds	47.2	41.4	34.0	32.7	31.8	30.1	32.8	26.3	26.7
Benefits payable and provision for unreported claims	282.9	278.3	261.8	247.2	250.9	266.5	220.7	221.2	240.8
Policyholders' amounts on deposit	304.7	300.9	304.1	308.1	297.7	305.7	299.0	299.8	302.5
Total	25,969.7	25,576.0	25,563.5	24,678.1	25,302.7	24,430.4	23,898.7	25,475.5	24,838.3
Investment contract liabilities	615.2	607.9	587.0	580.1	588.2	616.1	605.8	636.6	643.5
Derivative financial instruments	265.5	250.9	195.0	329.1	231.4	284.7	333.2	306.2	393.7
Other liabilities									
Mortgage debt on investment properties	—	—	—	—	—	—	—	—	—
Other	6,114.5	5,948.9	5,094.0	5,320.9	4,782.5	4,949.0	4,452.8	4,876.8	4,804.6
Total	6,114.5	5,948.9	5,094.0	5,320.9	4,782.5	4,949.0	4,452.8	4,876.8	4,804.6
Deferred income tax liabilities	311.7	271.8	217.5	215.1	185.9	186.1	173.4	174.3	166.9
Debentures	1,000.8	1,000.4	996.3	996.1	995.8	995.6	995.3	1,244.4	846.3
General fund liabilities	34,277.4	33,655.9	32,653.3	32,119.4	32,086.5	31,461.9	30,459.2	32,713.8	31,693.3
Segregated funds liabilities	24,887.6	24,100.1	24,117.0	23,207.1	22,942.0	22,664.1	21,825.8	21,511.3	20,634.9
Equity									
Participating policyholders' accounts	42.1	41.5	41.0	39.4	39.3	39.3	39.0	45.7	45.4
Share capital									
Common shares	1,669.9	1,668.0	1,520.9	1,512.9	1,511.4	1,505.5	1,498.8	1,328.5	1,315.0
Preferred shares	525.0	525.0	375.0	375.0	375.0	375.0	375.0	375.0	375.0
Total	2,194.9	2,193.0	1,895.9	1,887.9	1,886.4	1,880.5	1,873.8	1,703.5	1,690.0
Contributed surplus	21.0	20.1	19.5	19.7	18.7	18.5	18.5	21.1	22.6
Retained earnings	3,383.0	3,213.2	3,130.8	3,052.4	2,908.9	2,848.0	2,793.2	2,546.3	2,458.7
Accumulated other comprehensive income	29.1	36.7	48.9	27.4	62.0	81.4	40.1	79.1	61.9
Total shareholders' equity	5,628.0	5,463.0	5,095.1	4,987.4	4,876.0	4,828.4	4,725.6	4,350.0	4,233.2
Total equity	5,670.1	5,504.5	5,136.1	5,026.8	4,915.3	4,867.7	4,764.6	4,395.7	4,278.6
Total liabilities and equity	64,835.1	63,260.5	61,906.4	60,353.3	59,943.8	58,993.7	57,049.6	58,620.8	56,606.8

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.

Car loans

- **Finance receivables** – Car loan receivables before provisions, including accrued interests and liabilities.
- **Loan originations** – Refers to new car loans disbursed in a given period.

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.

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.
- **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.
- **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) and 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 CARL 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.