



As at December 31, 2018

**Financial Information  
Package (unaudited)**

**For the Fourth 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 6,800 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.

### Head Office

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Toll-free: 1-800-463-6236  
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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

Computershare Trust Company of Canada  
Telephone: 514-982-7555  
Toll-free: 1-877-684-5000  
[ia@computershare.com](mailto:ia@computershare.com)

### 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.  
Telephone: 514-982-7555  
Toll-free: 1-877-684-5000  
[ia@computershare.com](mailto:ia@computershare.com)

### Investor Relations

For analysts, portfolio managers and investors requesting financial information, contact our Investor Relations Department:  
Telephone: 418-684-5000, ext. 105862  
Toll-free: 1-800-463-6236, ext. 105862  
Fax: 418-684-5192  
[investors@ia.ca](mailto:investors@ia.ca)

### Next Reporting Dates

2019 First quarter - May 9, 2019  
2019 Second quarter - August 1, 2019  
2019 Third quarter - November 6, 2019

### General information

For information on upcoming earnings releases, investor conferences and disclosure documents consult our website at [ia.ca](http://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 December 31 |                |             | Twelve months ended December 31 |                |             |
|---|--------------------------------|----------------|-------------|---------------------------------|----------------|-------------|
|   | 2018                           | 2017           | Variation   | 2018                            | 2017           | Variation   |
| <b>PROFITABILITY</b>  |                                |                |             |                                 |                |             |
| Net income attributed to shareholders                             | 155.0                          | 136.6          | 13%         | 633.7                           | 531.4          | 19%         |
| Dividends attributed to preferred shares                          | 5.5                            | 3.8            | 45%         | 21.0                            | 15.9           | 32%         |
| Redemption premium on preferred shares                            | —                              | —              | —           | —                               | —              | —           |
| Net income attributed to common shareholders                      | <u>149.5</u>                   | <u>132.8</u>   | <u>13%</u>  | <u>612.7</u>                    | <u>515.5</u>   | <u>19%</u>  |
| Earnings per common share   |                                |                |             |                                 |                |             |
| Basic   | \$1.37                         | \$1.25         | \$0.12      | \$5.62                          | \$4.84         | \$0.78      |
| Diluted   | \$1.36                         | \$1.24         | \$0.12      | \$5.59                          | \$4.81         | \$0.78      |
| Diluted, core <sup>1</sup>  | \$1.39                         | \$1.27         | \$0.12      | \$5.55                          | \$4.86         | \$0.69      |
| Return on common shareholders' equity <sup>1,2</sup>              |                                |                |             |                                 |                |             |
| Quarter annualized  | 11.7%                          | 11.5%          | 20 bps      | —                               | —              | —           |
| Trailing 12 months  | 12.5%                          | 11.4%          | 110 bps     | —                               | —              | —           |
| Trailing 12 months, core  | 12.4%                          | 11.6%          | 80 bps      | —                               | —              | —           |
| <b>BUSINESS GROWTH</b>  |                                |                |             |                                 |                |             |
| Sales by line of business <sup>1</sup>                            |                                |                |             |                                 |                |             |
| Individual Insurance  | 47.3                           | 52.8           | (10%)       | 190.8                           | 194.0          | (2%)        |
| Individual Wealth Management                                      |                                |                |             |                                 |                |             |
| General fund  | 104.8                          | 83.7           | 25%         | 400.6                           | 316.5          | 27%         |
| Segregated funds  | 460.0                          | 451.9          | 2%          | 1,987.9                         | 1,883.4        | 6%          |
| Mutual funds  | 481.8                          | 559.7          | (14%)       | 2,137.9                         | 2,365.4        | (10%)       |
| Total   | <u>1,046.6</u>                 | <u>1,095.3</u> | <u>(4%)</u> | <u>4,526.4</u>                  | <u>4,565.3</u> | <u>(1%)</u> |
| Group Insurance   |                                |                |             |                                 |                |             |
| Employee Plans  | 7.2                            | 7.2            | —           | 92.5                            | 107.3          | (14%)       |
| Dealer Services - Creditor Insurance <sup>3</sup>                 | 87.0                           | 99.0           | (12%)       | 374.2                           | 401.4          | (7%)        |
| Dealer Services - P&C   | 54.8                           | 49.0           | 12%         | 242.2                           | 233.4          | 4%          |
| Special Markets Solutions   | 76.2                           | 79.1           | (4%)        | 255.6                           | 231.2          | 11%         |
| Group Savings and Retirement                                      | 438.3                          | 334.7          | 31%         | 1,666.9                         | 1,545.1        | 8%          |
| US Operations (\$CAN) <sup>4</sup>                                |                                |                |             |                                 |                |             |
| Individual Insurance  | 28.2                           | 22.1           | 28%         | 105.2                           | 94.5           | 11%         |
| Dealer Services - P&C <sup>5</sup>                                | 105.2                          | —              | —           | 485.9                           | —              | —           |
| General Insurance   |                                |                |             |                                 |                |             |
| iAAH (Auto & Home)  | 68.5                           | 64.2           | 7%          | 322.8                           | 308.8          | 5%          |
| Net premiums, premium equivalent and deposits by line of business |                                |                |             |                                 |                |             |
| Individual Insurance  | 399.4                          | 394.7          | 1%          | 1,554.4                         | 1,492.5        | 4%          |
| Individual Wealth Management                                      | 1,046.6                        | 1,095.3        | (4%)        | 4,526.4                         | 4,565.3        | (1%)        |
| Group Insurance   | 464.8                          | 444.8          | 4%          | 1,789.1                         | 1,621.4        | 10%         |
| Group Savings and Retirement                                      | 432.1                          | 328.3          | 32%         | 1,642.0                         | 1,518.9        | 8%          |
| US Operations <sup>4</sup>  |                                |                |             |                                 |                |             |
| Individual Insurance  | 92.9                           | 79.5           | 17%         | 347.9                           | 309.8          | 12%         |
| Dealer Services - P&C <sup>6</sup>                                | 39.9                           | —              | —           | 185.8                           | —              | —           |
| General Insurance <sup>7</sup>                                    | 75.3                           | 72.8           | 3%          | 294.5                           | 280.5          | 5%          |
| Total   | <u>2,551.0</u>                 | <u>2,415.4</u> | <u>6%</u>   | <u>10,340.1</u>                 | <u>9,788.4</u> | <u>6%</u>   |
| Assets under management and administration                        | 168,771.5                      | 169,539.8      | —           | 168,771.5                       | 169,539.8      | —           |

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

<sup>2</sup> In Q4-2018, the Company made an adjustment to the estimates used to establish income taxes payable in prior periods by decreasing the retained earnings as at January 1, 2017 by 58 \$.

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

<sup>4</sup> As of Q1-2018, the Company began presenting its US Operations as a separate line of business.

<sup>5</sup> Data first presented in Q1-2018 following the acquisition of IA American Casualty Holdings Inc. (formerly Helios Financial Holdings Corp.).

<sup>6</sup> In Q3-2018, an adjustment was made retroactively to Q1-2018 to include premium equivalents for the US P&C business following the acquisition of IA American Casualty Holdings Inc.

<sup>7</sup> 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)*

|   | December 31, 2018 | September 30, 2018 | December 31, 2017 |
|---|-------------------|--------------------|-------------------|
| <b>QUALITY OF INVESTMENTS</b>                                 |                   |                    |                   |
| Impaired investments and provisions (excluding insured loans) |                   |                    |                   |
| Net impaired investments                                      | 15.9              | 18.6               | 23.4              |
| Net impaired investments as a % of investment portfolio       | 0.05%             | 0.05%              | 0.07%             |
| Provisions for impaired investments (specific)                | 8.6               | 6.0                | 7.5               |
| As a % of gross impaired investments                          | 35.1%             | 24.4%              | 24.3%             |
| Bonds   |                   |                    |                   |
| Rated BB and lower  | 0.78%             | 0.82%              | 0.99%             |
| Mortgages   |                   |                    |                   |
| Delinquency rate  | 0.09%             | 0.09%              | 0.34%             |
| Occupancy rate on investment properties                       | 95.0%             | 93.0%              | 93.0%             |
| <b>SOLVENCY RATIO CARL<sup>1,2,5</sup></b>                    | <b>126%</b>       | <b>119%</b>        | <b>120%</b>       |
| <b>SOLVENCY RATIO CAR<sup>1,3,5</sup></b>                     | <b>—</b>          | <b>—</b>           | <b>206%</b>       |
| <b>BOOK VALUE PER OUTSTANDING COMMON SHARE<sup>4,5</sup></b>  | <b>\$47.40</b>    | <b>\$46.65</b>     | <b>\$43.65</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.

<sup>4</sup> In Q3-2018, an adjustment was made retroactively to January 1, 2018, further to the application of IFRS-15.

<sup>5</sup> In Q4-2018, the Company made an adjustment to the estimates used to establish income taxes payable in prior periods by decreasing the retained earnings as at January 1, 2017 by 58 \$.

**PROFITABILITY**

| <i>(In millions of dollars, unless otherwise indicated)</i>             | 2018   |        |        |        | 2017   |        |        |        | 2016   | 2018   | 2017   | 2016   |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|   | Q4     | Q3     | Q2     | Q1     | Q4     | Q3     | Q2     | Q1     | Q4     | Annual | Annual | Annual |
| <b>Net income</b>   |        |        |        |        |        |        |        |        |        |        |        |        |
| Net income  | 157.8  | 170.9  | 165.8  | 143.5  | 138.2  | 148.8  | 131.7  | 114.7  | 152.5  | 638.0  | 533.4  | 547.7  |
| Net income attributed to participating policyholders                    | 2.8    | 0.4    | 0.6    | 0.5    | 1.6    | 0.1    | —      | 0.3    | (6.7)  | 4.3    | 2.0    | (6.0)  |
| Net income attributed to shareholders                                   | 155.0  | 170.5  | 165.2  | 143.0  | 136.6  | 148.7  | 131.7  | 114.4  | 159.2  | 633.7  | 531.4  | 553.7  |
| Dividends attributed to preferred shares                                | 5.5    | 5.6    | 6.1    | 3.8    | 3.8    | 3.8    | 4.2    | 4.1    | 4.2    | 21.0   | 15.9   | 16.5   |
| Redemption premium on preferred shares                                  | —      | —      | —      | —      | —      | —      | —      | —      | —      | —      | —      | —      |
| Net income attributed to common shareholders                            | 149.5  | 164.9  | 159.1  | 139.2  | 132.8  | 144.9  | 127.5  | 110.3  | 155.0  | 612.7  | 515.5  | 537.2  |
| <b>Earnings per common share</b>  |        |        |        |        |        |        |        |        |        |        |        |        |
| Basic   | \$1.37 | \$1.50 | \$1.45 | \$1.30 | \$1.25 | \$1.36 | \$1.20 | \$1.04 | \$1.50 | \$5.62 | \$4.84 | \$5.22 |
| Diluted   | \$1.36 | \$1.50 | \$1.44 | \$1.29 | \$1.24 | \$1.35 | \$1.19 | \$1.03 | \$1.48 | \$5.59 | \$4.81 | \$5.19 |
| Diluted, core <sup>1</sup>  | \$1.39 | \$1.46 | \$1.38 | \$1.32 | \$1.27 | \$1.35 | \$1.19 | \$1.05 | \$1.15 | \$5.55 | \$4.86 | \$4.69 |
| <b>Return on common shareholders' equity<sup>1,2,3</sup></b>            |        |        |        |        |        |        |        |        |        |        |        |        |
| Quarter annualized  | 11.7%  | 13.0%  | 12.9%  | 11.7%  | 11.5%  | 12.8%  | 11.5%  | 10.1%  | 14.9%  | —      | —      | —      |
| Trailing 12 months  | 12.5%  | 12.3%  | 12.2%  | 11.8%  | 11.4%  | 12.6%  | 12.9%  | 13.5%  | 13.2%  | —      | —      | —      |
| Trailing 12 months, core  | 12.4%  | 12.2%  | 12.2%  | 11.9%  | 11.6%  | 11.8%  | 11.9%  | 12.0%  | 11.9%  | —      | —      | —      |
| <b>Net income attributed to common shareholders by line of business</b> |        |        |        |        |        |        |        |        |        |        |        |        |
| Individual Insurance  | 40.5   | 80.6   | 85.3   | 63.7   | 52.4   | 82.1   | 70.0   | 53.5   | 110.5  | 270.1  | 258.0  | 328.7  |
| Individual Wealth Management  | 33.5   | 50.0   | 36.9   | 39.5   | 39.8   | 34.7   | 36.1   | 38.7   | 29.0   | 159.9  | 149.3  | 114.5  |
| Group Insurance   | 24.7   | 20.5   | 18.3   | 19.0   | 17.5   | 17.9   | 9.3    | 9.7    | 0.2    | 82.5   | 54.4   | 51.8   |
| Group Savings and Retirement  | 37.6   | 4.6    | 4.5    | 6.1    | 15.2   | 4.4    | 5.5    | 5.3    | 8.8    | 52.8   | 30.4   | 21.2   |
| US Operations   | 13.2   | 9.2    | 14.1   | 10.9   | 7.9    | 5.8    | 6.6    | 3.1    | 6.5    | 47.4   | 23.4   | 21.0   |
| Total   | 149.5  | 164.9  | 159.1  | 139.2  | 132.8  | 144.9  | 127.5  | 110.3  | 155.0  | 612.7  | 515.5  | 537.2  |

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

| <i>(In millions of dollars, unless otherwise indicated)</i> | 2018   |     |       |       | 2017   |       |       |     | 2016  | 2018   | 2017   | 2016   |
|---|--------|-----|-------|-------|--------|-------|-------|-----|-------|--------|--------|--------|
|   | Q4     | Q3  | Q2    | Q1    | Q4     | Q3    | Q2    | Q1  | Q4    | Annual | Annual | Annual |
| <b>Impact on net income to common shareholders</b>          |        |     |       |       |        |       |       |     |       |        |        |        |
| Impact of market on expected earnings <sup>4</sup>          |        |     |       |       |        |       |       |     |       |        |        |        |
| Increase (decrease) in income on UL policies                | (17.3) | 1.7 | 5.0   | (5.6) | 5.7    | (1.0) | (1.6) | 1.9 | 2.9   | (16.2) | 5.0    | 2.7    |
| Higher (lower) than expected management fees <sup>5</sup>   | (2.9)  | 0.2 | 0.3   | (1.0) | 1.3    | (0.5) | 0.3   | 1.0 | 0.1   | (3.4)  | 2.1    | 0.6    |
| Impact of dynamic hedging                                   | (9.7)  | 2.5 | (0.1) | 2.1   | 3.1    | 5.2   | 4.2   | 9.5 | (0.9) | (5.2)  | 22.0   | 6.8    |
| Other   |        |     |       |       |        |       |       |     |       |        |        |        |
| Changes in assumptions and management actions               | (0.3)  | —   | —     | —     | (10.6) | —     | —     | —   | 23.2  | (0.3)  | (10.6) | 23.2   |

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

<sup>2</sup> In Q3-2018, an adjustment was made retroactively to January 1, 2018, further to the application of IFRS-15.

<sup>3</sup> In Q4-2018, the Company made an adjustment to the estimates used to establish income taxes payable in prior periods by decreasing the retained earnings as at January 1, 2017 by 58 \$.

<sup>4</sup> Approximate impact of market variations as compared to the expected net earnings that the Company would have earned under normal market conditions.

<sup>5</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   | 2018   | 2017   | 2016   |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|  | Q4     | Q3     | Q2     | Q1     | Q4     | Q3     | Q2     | Q1     | Q4     | Annual | Annual | Annual |
| <b>Individual Insurance</b>                          |        |        |        |        |        |        |        |        |        |        |        |        |
| Operating profit (loss) <sup>1</sup>                 |        |        |        |        |        |        |        |        |        |        |        |        |
| Expected profit on in-force                          | 82.2   | 80.2   | 78.8   | 76.0   | 80.8   | 81.7   | 79.1   | 76.3   | 73.0   | 317.2  | 317.9  | 288.3  |
| Experience gain (loss)                               | (35.4) | 5.2    | 21.2   | (1.7)  | 1.2    | (0.3)  | (5.4)  | (21.2) | 25.3   | (10.7) | (25.7) | 41.6   |
| Strain on sales                                      | (0.8)  | (4.6)  | (4.3)  | (7.0)  | (5.0)  | (3.4)  | (3.0)  | (2.5)  | (3.3)  | (16.7) | (13.9) | (24.2) |
| Changes in assumptions and management actions        | (41.9) | —      | —      | —      | (31.9) | —      | —      | —      | 17.4   | (41.9) | (31.9) | 17.4   |
| Total  | 4.1    | 80.8   | 95.7   | 67.3   | 45.1   | 78.0   | 70.7   | 52.6   | 112.4  | 247.9  | 246.4  | 323.1  |
| Income on capital <sup>1</sup>                       | 37.1   | 22.4   | 17.9   | 12.7   | 19.0   | 28.1   | 14.2   | 12.9   | 21.6   | 90.1   | 74.2   | 64.5   |
| Income taxes <sup>1</sup>                            | 3.4    | (18.7) | (24.1) | (13.5) | (9.5)  | (21.6) | (12.3) | (9.5)  | (20.8) | (52.9) | (52.9) | (48.6) |
| Net income (loss) attributed to shareholders         | 44.6   | 84.5   | 89.5   | 66.5   | 54.6   | 84.5   | 72.6   | 56.0   | 113.2  | 285.1  | 267.7  | 339.0  |
| Dividends attributed to preferred shares             | 4.1    | 3.9    | 4.2    | 2.8    | 2.2    | 2.4    | 2.6    | 2.5    | 2.7    | 15.0   | 9.7    | 10.3   |
| Redemption premium on preferred shares               | —      | —      | —      | —      | —      | —      | —      | —      | —      | —      | —      | —      |
| Net income (loss) attributed to common shareholders  | 40.5   | 80.6   | 85.3   | 63.7   | 52.4   | 82.1   | 70.0   | 53.5   | 110.5  | 270.1  | 258.0  | 328.7  |
| <b>Individual Wealth Management</b>                  |        |        |        |        |        |        |        |        |        |        |        |        |
| Operating profit (loss) <sup>1</sup>                 |        |        |        |        |        |        |        |        |        |        |        |        |
| Expected profit on in-force                          | 56.3   | 57.2   | 56.2   | 49.6   | 52.4   | 50.5   | 45.8   | 38.1   | 40.6   | 219.3  | 186.8  | 150.4  |
| Experience gain (loss)                               | (3.4)  | 8.2    | (1.8)  | 4.7    | 1.2    | 1.9    | 5.1    | 16.9   | (1.4)  | 7.7    | 25.1   | 22.1   |
| Strain on sales                                      | —      | —      | —      | (0.1)  | —      | —      | —      | —      | —      | (0.1)  | —      | (0.1)  |
| Changes in assumptions and management actions        | (13.7) | —      | —      | —      | 6.1    | —      | —      | —      | 5.0    | (13.7) | 6.1    | 5.0    |
| Total  | 39.2   | 65.4   | 54.4   | 54.2   | 59.7   | 52.4   | 50.9   | 55.0   | 44.2   | 213.2  | 218.0  | 177.4  |
| Income on capital <sup>1</sup>                       | 6.9    | 4.7    | 2.8    | (1.6)  | (3.1)  | (3.8)  | (1.2)  | (1.0)  | (5.7)  | 12.8   | (9.1)  | (9.4)  |
| Income taxes <sup>1</sup>                            | (11.5) | (18.9) | (18.8) | (12.3) | (15.7) | (13.0) | (12.5) | (14.2) | (8.5)  | (61.5) | (55.4) | (49.3) |
| Net income (loss) attributed to shareholders         | 34.6   | 51.2   | 38.4   | 40.3   | 40.9   | 35.6   | 37.2   | 39.8   | 30.0   | 164.5  | 153.5  | 118.7  |
| Dividends attributed to preferred shares             | 1.1    | 1.2    | 1.5    | 0.8    | 1.1    | 0.9    | 1.1    | 1.1    | 1.0    | 4.6    | 4.2    | 4.2    |
| Redemption premium on preferred shares               | —      | —      | —      | —      | —      | —      | —      | —      | —      | —      | —      | —      |
| Net income (loss) attributed to common shareholders  | 33.5   | 50.0   | 36.9   | 39.5   | 39.8   | 34.7   | 36.1   | 38.7   | 29.0   | 159.9  | 149.3  | 114.5  |
| <b>Group Insurance</b>                               |        |        |        |        |        |        |        |        |        |        |        |        |
| Operating profit (loss) <sup>1</sup>                 |        |        |        |        |        |        |        |        |        |        |        |        |
| Expected profit on in-force                          | 21.7   | 26.1   | 20.3   | 16.3   | 20.2   | 22.5   | 18.0   | 13.8   | 18.6   | 84.4   | 74.5   | 67.8   |
| Experience gain (loss)                               | 6.0    | 1.2    | 7.3    | 7.3    | 4.6    | (1.4)  | (5.9)  | (1.3)  | (12.5) | 21.8   | (4.0)  | (3.8)  |
| Strain on sales                                      | —      | —      | —      | —      | —      | —      | —      | —      | —      | —      | —      | —      |
| Changes in assumptions and management actions        | 4.3    | —      | —      | —      | (2.3)  | —      | —      | —      | (1.3)  | 4.3    | (2.3)  | (1.3)  |
| Total  | 32.0   | 27.3   | 27.6   | 23.6   | 22.5   | 21.1   | 12.1   | 12.5   | 4.8    | 110.5  | 68.2   | 62.7   |
| Income on capital <sup>1</sup>                       | 2.5    | 1.6    | 1.0    | 0.6    | 2.1    | 3.8    | 0.8    | 1.1    | (5.4)  | 5.7    | 7.8    | 1.4    |
| Income taxes <sup>1</sup>                            | (9.6)  | (8.0)  | (9.9)  | (5.0)  | (6.7)  | (6.6)  | (3.2)  | (3.5)  | 1.2    | (32.5) | (20.0) | (10.7) |
| Net income (loss) attributed to shareholders         | 24.9   | 20.9   | 18.7   | 19.2   | 17.9   | 18.3   | 9.7    | 10.1   | 0.6    | 83.7   | 56.0   | 53.4   |
| Dividends attributed to preferred shares             | 0.2    | 0.4    | 0.4    | 0.2    | 0.4    | 0.4    | 0.4    | 0.4    | 0.4    | 1.2    | 1.6    | 1.6    |
| Redemption premium on preferred shares               | —      | —      | —      | —      | —      | —      | —      | —      | —      | —      | —      | —      |
| Net income (loss) attributed to common shareholders  | 24.7   | 20.5   | 18.3   | 19.0   | 17.5   | 17.9   | 9.3    | 9.7    | 0.2    | 82.5   | 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   | 2018    | 2017    | 2016    |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|
|  | Q4     | Q3     | Q2     | Q1     | Q4     | Q3     | Q2     | Q1     | Q4     | Annual  | Annual  | Annual  |
| <b>Group Savings and Retirement</b>                  |        |        |        |        |        |        |        |        |        |         |         |         |
| Operating profit (loss) <sup>1</sup>                 |        |        |        |        |        |        |        |        |        |         |         |         |
| Expected profit on in-force                          | 5.8    | 5.9    | 5.7    | 6.0    | 6.9    | 6.9    | 6.7    | 6.3    | 5.7    | 23.4    | 26.8    | 20.8    |
| Experience gain (loss)                               | (3.4)  | —      | 1.3    | 1.6    | 1.6    | (1.6)  | 0.8    | 0.9    | (2.7)  | (0.5)   | 1.7     | 0.7     |
| Strain on sales                                      | 0.1    | (0.1)  | 0.1    | 0.3    | (0.8)  | (0.1)  | (0.5)  | (0.5)  | (0.5)  | 0.4     | (1.9)   | (3.2)   |
| Changes in assumptions and management actions        | 49.7   | —      | —      | —      | 12.6   | —      | —      | —      | 9.5    | 49.7    | 12.6    | 9.5     |
| Total  | 52.2   | 5.8    | 7.1    | 7.9    | 20.3   | 5.2    | 7.0    | 6.7    | 12.0   | 73.0    | 39.2    | 27.8    |
| Income on capital <sup>1</sup>                       | 0.4    | 0.4    | —      | (0.3)  | 0.5    | 0.8    | 0.3    | 0.6    | —      | 0.5     | 2.2     | 1.4     |
| Income taxes <sup>1</sup>                            | (14.9) | (1.5)  | (2.6)  | (1.5)  | (5.5)  | (1.5)  | (1.7)  | (1.9)  | (3.1)  | (20.5)  | (10.6)  | (7.6)   |
| Net income (loss) attributed to shareholders         | 37.7   | 4.7    | 4.5    | 6.1    | 15.3   | 4.5    | 5.6    | 5.4    | 8.9    | 53.0    | 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  | 37.6   | 4.6    | 4.5    | 6.1    | 15.2   | 4.4    | 5.5    | 5.3    | 8.8    | 52.8    | 30.4    | 21.2    |
| <b>US Operations<sup>2</sup></b>                     |        |        |        |        |        |        |        |        |        |         |         |         |
| Operating profit (loss) <sup>1</sup>                 |        |        |        |        |        |        |        |        |        |         |         |         |
| Expected profit on in-force                          | 11.3   | 11.4   | 11.3   | 11.2   | 8.3    | 8.4    | 8.3    | 8.3    | 7.9    | 45.2    | 33.3    | 31.5    |
| Experience gain (loss)                               | (0.6)  | 0.9    | 7.7    | (1.4)  | 0.7    | (0.8)  | 1.6    | (2.5)  | 0.8    | 6.6     | (1.0)   | 3.1     |
| Strain on sales                                      | (2.3)  | (2.5)  | (2.3)  | (2.9)  | (1.8)  | (1.8)  | (2.0)  | (3.2)  | (2.8)  | (10.0)  | (8.8)   | (14.7)  |
| Changes in assumptions and management actions        | 1.2    | —      | —      | —      | 1.0    | —      | —      | —      | 1.1    | 1.2     | 1.0     | 1.1     |
| Total  | 9.6    | 9.8    | 16.7   | 6.9    | 8.2    | 5.8    | 7.9    | 2.6    | 7.0    | 43.0    | 24.5    | 21.0    |
| Income on capital <sup>1</sup>                       | 7.7    | 1.4    | 1.3    | 6.5    | 1.6    | 2.9    | 2.2    | 2.2    | 1.7    | 16.9    | 8.9     | 7.2     |
| Income taxes <sup>1</sup>                            | (4.1)  | (2.0)  | (3.9)  | (2.5)  | (1.9)  | (2.9)  | (3.5)  | (1.7)  | (2.2)  | (12.5)  | (10.0)  | (7.2)   |
| Net income (loss) attributed to shareholders         | 13.2   | 9.2    | 14.1   | 10.9   | 7.9    | 5.8    | 6.6    | 3.1    | 6.5    | 47.4    | 23.4    | 21.0    |
| Dividends attributed to preferred shares             | —      | —      | —      | —      | —      | —      | —      | —      | —      | —       | —       | —       |
| Redemption premium on preferred shares               | —      | —      | —      | —      | —      | —      | —      | —      | —      | —       | —       | —       |
| Net income (loss) attributed to common shareholders  | 13.2   | 9.2    | 14.1   | 10.9   | 7.9    | 5.8    | 6.6    | 3.1    | 6.5    | 47.4    | 23.4    | 21.0    |
| <b>Total Company</b>                                 |        |        |        |        |        |        |        |        |        |         |         |         |
| Operating profit (loss) <sup>1</sup>                 |        |        |        |        |        |        |        |        |        |         |         |         |
| Expected profit on in-force                          | 177.3  | 180.8  | 172.3  | 159.1  | 168.6  | 170.0  | 157.9  | 142.8  | 145.8  | 689.5   | 639.3   | 558.8   |
| Experience gain (loss)                               | (36.8) | 15.5   | 35.7   | 10.5   | 9.3    | (2.2)  | (3.8)  | (7.2)  | 9.5    | 24.9    | (3.9)   | 63.7    |
| Strain on sales                                      | (3.0)  | (7.2)  | (6.5)  | (9.7)  | (7.6)  | (5.3)  | (5.5)  | (6.2)  | (6.6)  | (26.4)  | (24.6)  | (42.2)  |
| Changes in assumptions and management actions        | (0.4)  | —      | —      | —      | (14.5) | —      | —      | —      | 31.7   | (0.4)   | (14.5)  | 31.7    |
| Total  | 137.1  | 189.1  | 201.5  | 159.9  | 155.8  | 162.5  | 148.6  | 129.4  | 180.4  | 687.6   | 596.3   | 612.0   |
| Income on capital <sup>1</sup>                       | 54.6   | 30.5   | 23.0   | 17.9   | 20.1   | 31.8   | 16.3   | 15.8   | 12.2   | 126.0   | 84.0    | 65.1    |
| Income taxes <sup>1</sup>                            | (36.7) | (49.1) | (59.3) | (34.8) | (39.3) | (45.6) | (33.2) | (30.8) | (33.4) | (179.9) | (148.9) | (123.4) |
| Net income (loss) attributed to shareholders         | 155.0  | 170.5  | 165.2  | 143.0  | 136.6  | 148.7  | 131.7  | 114.4  | 159.2  | 633.7   | 531.4   | 553.7   |
| Dividends attributed to preferred shares             | 5.5    | 5.6    | 6.1    | 3.8    | 3.8    | 3.8    | 4.2    | 4.1    | 4.2    | 21.0    | 15.9    | 16.5    |
| Redemption premium on preferred shares               | —      | —      | —      | —      | —      | —      | —      | —      | —      | —       | —       | —       |
| Net income (loss) attributed to common shareholders  | 149.5  | 164.9  | 159.1  | 139.2  | 132.8  | 144.9  | 127.5  | 110.3  | 155.0  | 612.7   | 515.5   | 537.2   |

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

<sup>2</sup> As of Q1-2018, the Company began presenting its US Operations as a separate line of business.



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

| (Earnings per diluted weighted average number of common share)              | 2018          |             |               |               | 2017          |               |               |               | 2016        | 2018          | 2017          | 2016        |
|---|---------------|-------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------|---------------|---------------|-------------|
|   | Q4            | Q3          | Q2            | Q1            | Q4            | Q3            | Q2            | Q1            | Q4          | Annual        | 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  | 0.05          | —           | (0.07)        | 0.03          | —             | (0.02)        | 0.01          | —             | 0.06        | 0.01          | (0.01)        | 0.09        |
| Debenture 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)        | —           |
| Post closing adjustment to HollisWealth (purchase price clawback)           | 0.10          | —           | —             | —             | —             | —             | —             | —             | —           | 0.10          | —             | —           |
| Sale of a property, net of losses realized on available for sale investment | 0.14          | —           | —             | —             | —             | —             | —             | —             | —           | 0.14          | —             | —           |
| <b>Total</b>  | <b>0.29</b>   | <b>—</b>    | <b>(0.07)</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>0.25</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                                | (0.16)        | 0.02        | 0.05          | (0.05)        | 0.05          | (0.01)        | (0.02)        | 0.02          | 0.03        | (0.14)        | 0.04          | 0.03        |
| Higher (lower) than expected management fees <sup>3</sup>                   | (0.03)        | —           | —             | (0.01)        | 0.01          | (0.01)        | —             | 0.01          | —           | (0.04)        | 0.01          | 0.01        |
| Impact of dynamic hedging   | (0.09)        | 0.02        | —             | 0.02          | 0.03          | 0.05          | 0.04          | 0.09          | (0.01)      | (0.05)        | 0.21          | 0.07        |
| <b>Total</b>  | <b>(0.28)</b> | <b>0.04</b> | <b>0.05</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>(0.23)</b> | <b>0.26</b>   | <b>0.11</b> |
| <b>Policyholder experience gains and losses<sup>4</sup></b>                 |               |             |               |               |               |               |               |               |             |               |               |             |
| Individual Insurance  | (0.08)        | 0.02        | 0.10          | 0.04          | (0.04)        | 0.01          | (0.02)        | (0.13)        | 0.15        | 0.08          | (0.18)        | 0.26        |
| Individual Wealth Management  | —             | 0.03        | (0.01)        | 0.02          | (0.01)        | —             | 0.02          | 0.03          | —           | 0.04          | 0.04          | 0.07        |
| Group Insurance   | 0.04          | 0.01        | 0.05          | 0.05          | 0.03          | (0.01)        | (0.04)        | (0.01)        | (0.09)      | 0.15          | (0.03)        | (0.01)      |
| Group Savings and Retirement  | (0.02)        | —           | 0.01          | 0.01          | 0.01          | (0.01)        | 0.01          | 0.01          | (0.02)      | —             | 0.02          | 0.01        |
| US Operations   | (0.01)        | 0.01        | 0.05          | (0.01)        | —             | (0.01)        | 0.01          | (0.02)        | 0.01        | 0.04          | (0.02)        | 0.03        |
| <b>Total</b>  | <b>(0.07)</b> | <b>0.07</b> | <b>0.20</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>0.31</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)      | (0.02)        | (0.01)        | (0.02)        | (0.01)        | 0.02          | 0.04          | 0.01        | (0.06)        | 0.03          | 0.03        |
| iA Auto and Home  | 0.01          | —           | 0.02          | —             | —             | 0.01          | (0.04)        | (0.03)        | (0.03)      | 0.03          | (0.06)        | (0.07)      |
| Investment income on capital  | 0.04          | 0.01        | (0.01)        | 0.03          | —             | 0.04          | 0.02          | 0.04          | —           | 0.07          | 0.10          | 0.06        |
| <b>Total gains and losses</b>   | <b>(0.02)</b> | <b>0.10</b> | <b>0.17</b>   | <b>0.12</b>   | <b>(0.06)</b> | <b>—</b>      | <b>(0.01)</b> | <b>—</b>      | <b>0.30</b> | <b>0.37</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 US Operations now presented separately.

**REPORTED EPS AND CORE EPS RECONCILIATION**

| <i>(Earnings per diluted weighted average number of common share)</i>                 | 2018          |               |               |               | 2017          |               |               |               | 2016          | 2018          | 2017          | 2016          |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | Q4            | Q3            | Q2            | Q1            | Q4            | Q3            | Q2            | Q1            | Q4            | Annual        | Annual        | Annual        |
| <b>Reported earnings</b>  |               |               |               |               |               |               |               |               |               |               |               |               |
| Earnings per common share - diluted   | 1.36          | 1.50          | 1.44          | 1.29          | 1.24          | 1.35          | 1.19          | 1.03          | 1.48          | 5.59          | 4.81          | 5.19          |
| Return on common shareholders' equity - trailing 12 months <sup>1,2</sup>             | 12.5%         | 12.3%         | 12.2%         | 11.8%         | 11.4%         | 12.6%         | 12.9%         | 13.5%         | 13.2%         | —             | —             | —             |
| <b>EPS adjustments (non-core items)<sup>1,3</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  | (0.05)        | —             | 0.07          | —             | —             | —             | —             | —             | (0.06)        | 0.02          | —             | (0.09)        |
| Debenture 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          | —             |
| Post closing adjustment to HollisWealth (purchase price clawback)                     | (0.10)        | —             | —             | —             | —             | —             | —             | —             | —             | (0.10)        | —             | —             |
| Sale of a property, net of losses realized on available for sale investment           | (0.14)        | —             | —             | —             | —             | —             | —             | —             | —             | (0.14)        | —             | —             |
| <b>Total</b>  | <b>(0.29)</b> | <b>—</b>      | <b>0.07</b>   | <b>—</b>      | <b>0.12</b>   | <b>0.03</b>   | <b>0.02</b>   | <b>0.05</b>   | <b>(0.25)</b> | <b>(0.22)</b> | <b>0.22</b>   | <b>(0.28)</b> |
| <b>Market-related gains and losses</b>  | <b>0.28</b>   | <b>(0.04)</b> | <b>(0.05)</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>0.23</b>   | <b>(0.26)</b> | <b>(0.11)</b> |
| <b>Policyholder experience gains and losses in excess of \$0.04 EPS<sup>4,5</sup></b> |               |               |               |               |               |               |               |               |               |               |               |               |
| Individual Insurance  | 0.04          | —             | (0.06)        | —             | —             | —             | —             | 0.09          | (0.11)        | (0.02)        | 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)        | —             | —             |
| <b>Total</b>  | <b>0.04</b>   | <b>—</b>      | <b>(0.08)</b> | <b>(0.01)</b> | <b>—</b>      | <b>—</b>      | <b>—</b>      | <b>0.09</b>   | <b>(0.06)</b> | <b>(0.05)</b> | <b>0.09</b>   | <b>(0.11)</b> |
| <b>Other experience gains and losses in excess of \$0.04 EPS<sup>4</sup></b>          |               |               |               |               |               |               |               |               |               |               |               |               |
| Strain on sales (in Individual Insurance)   | —             | —             | —             | —             | —             | —             | —             | —             | —             | —             | —             | —             |
| iA Auto and Home  | —             | —             | —             | —             | —             | —             | —             | —             | —             | —             | —             | —             |
| Investment income on capital  | —             | —             | —             | —             | —             | —             | —             | —             | —             | —             | —             | —             |
| <b>Total adjustments<sup>5</sup></b>  | <b>0.03</b>   | <b>(0.04)</b> | <b>(0.06)</b> | <b>0.03</b>   | <b>0.03</b>   | <b>—</b>      | <b>—</b>      | <b>0.02</b>   | <b>(0.33)</b> | <b>(0.04)</b> | <b>0.05</b>   | <b>(0.50)</b> |
| <b>Core earnings<sup>1,3,5</sup></b>  |               |               |               |               |               |               |               |               |               |               |               |               |
| Core earnings per common share - diluted  | 1.39          | 1.46          | 1.38          | 1.32          | 1.27          | 1.35          | 1.19          | 1.05          | 1.15          | 5.55          | 4.86          | 4.69          |
| Core return on common shareholders' equity - trailing 12 months <sup>2,6</sup>        | 12.4%         | 12.2%         | 12.2%         | 11.9%         | 11.6%         | 11.8%         | 11.9%         | 12.0%         | 11.9%         | —             | —             | —             |

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

<sup>2</sup> In Q4-2018, the Company made an adjustment to the estimates used to establish income taxes payable in prior periods by decreasing the retained earnings as at January 1, 2017 by 58 \$.

<sup>3</sup> All amounts prior to 2017 have been revised to reflect the core earnings definition as updated on January 1, 2017.

<sup>4</sup> Applied on a quarterly basis.

<sup>5</sup> All amounts prior to 2018 have been revised to reflect the fact that the US Operations are presented separately.

<sup>6</sup> In Q3-2018, an adjustment was made retroactively to January 1, 2018, further to the application of IFRS-15.

**BUSINESS GROWTH**

| <i>(In millions of dollars, unless otherwise indicated)</i> | 2018             |                  |                  |                  | 2017             |                  |                 |                 | 2016            | 2018             | 2017             | 2016            |
|---|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|-----------------|-----------------|------------------|------------------|-----------------|
|   | Q4               | Q3               | Q2               | Q1               | Q4               | Q3               | Q2              | Q1              | Q4              | Annual           | Annual           | Annual          |
| <b>Individual Insurance</b>                                 |                  |                  |                  |                  |                  |                  |                 |                 |                 |                  |                  |                 |
| Sales <sup>1</sup>  |                  |                  |                  |                  |                  |                  |                 |                 |                 |                  |                  |                 |
| Minimum Premiums  | 44.7             | 43.7             | 44.3             | 41.0             | 46.2             | 40.5             | 43.0            | 40.5            | 62.6            | 173.7            | 170.2            | 186.4           |
| Excess Premiums   | 2.6              | 5.7              | 3.1              | 5.7              | 6.6              | 6.2              | 5.0             | 6.0             | 8.8             | 17.1             | 23.8             | 25.7            |
| Total   | <u>47.3</u>      | <u>49.4</u>      | <u>47.4</u>      | <u>46.7</u>      | <u>52.8</u>      | <u>46.7</u>      | <u>48.0</u>     | <u>46.5</u>     | <u>71.4</u>     | <u>190.8</u>     | <u>194.0</u>     | <u>212.1</u>    |
| Net premiums  | 399.4            | 384.5            | 378.7            | 391.8            | 394.7            | 363.8            | 371.8           | 362.2           | 383.9           | 1,554.4          | 1,492.5          | 1,423.6         |
| <b>Individual Wealth Management</b>                         |                  |                  |                  |                  |                  |                  |                 |                 |                 |                  |                  |                 |
| Sales <sup>1</sup>  |                  |                  |                  |                  |                  |                  |                 |                 |                 |                  |                  |                 |
| General fund  | 104.8            | 88.1             | 98.0             | 109.7            | 83.7             | 66.6             | 74.4            | 91.8            | 71.0            | 400.6            | 316.5            | 292.8           |
| Segregated funds  | 460.0            | 464.4            | 445.9            | 617.6            | 451.9            | 423.2            | 453.8           | 554.5           | 383.2           | 1,987.9          | 1,883.4          | 1,559.6         |
| Mutual funds  | 481.8            | 442.1            | 543.9            | 670.1            | 559.7            | 461.8            | 560.1           | 783.8           | 535.4           | 2,137.9          | 2,365.4          | 1,474.3         |
| Total   | <u>1,046.6</u>   | <u>994.6</u>     | <u>1,087.8</u>   | <u>1,397.4</u>   | <u>1,095.3</u>   | <u>951.6</u>     | <u>1,088.3</u>  | <u>1,430.1</u>  | <u>989.6</u>    | <u>4,526.4</u>   | <u>4,565.3</u>   | <u>3,326.7</u>  |
| Net investment fund sales <sup>1</sup>                      |                  |                  |                  |                  |                  |                  |                 |                 |                 |                  |                  |                 |
| Segregated funds  | 76.1             | 63.1             | 63.4             | 219.7            | 101.9            | 113.3            | 130.0           | 164.7           | 74.1            | 422.3            | 509.9            | 341.7           |
| Mutual funds  | (117.9)          | (82.3)           | (3.2)            | 45.8             | 30.7             | 21.6             | 76.9            | 200.0           | 77.2            | (157.6)          | 329.2            | (404.4)         |
| Total   | <u>(41.8)</u>    | <u>(19.2)</u>    | <u>60.2</u>      | <u>265.5</u>     | <u>132.6</u>     | <u>134.9</u>     | <u>206.9</u>    | <u>364.7</u>    | <u>151.3</u>    | <u>264.7</u>     | <u>839.1</u>     | <u>(62.7)</u>   |
| Assets under management <sup>2</sup>                        |                  |                  |                  |                  |                  |                  |                 |                 |                 |                  |                  |                 |
| General fund <sup>3</sup>                                   | 1,531.9          | 1,463.1          | 1,430.3          | 1,384.7          | 1,345.5          | 1,318.3          | 1,327.6         | 1,318.7         | 1,282.6         | 1,531.9          | 1,345.5          | 1,282.6         |
| Segregated funds  | 13,993.5         | 14,913.8         | 14,837.3         | 14,426.6         | 14,466.2         | 13,963.2         | 13,819.7        | 13,746.2        | 13,347.7        | 13,993.5         | 14,466.2         | 13,347.7        |
| Mutual funds  | 10,832.8         | 11,760.1         | 11,740.3         | 11,503.2         | 11,723.2         | 11,446.0         | 11,356.9        | 11,314.3        | 10,937.5        | 10,832.8         | 11,723.2         | 10,937.5        |
| Other   | 4,173.6          | 4,503.4          | 4,482.4          | 4,404.4          | 4,345.9          | 4,131.9          | 4,062.4         | 4,071.9         | 3,998.3         | 4,173.6          | 4,345.9          | 3,998.3         |
| Total   | <u>30,531.8</u>  | <u>32,640.4</u>  | <u>32,490.3</u>  | <u>31,718.9</u>  | <u>31,880.8</u>  | <u>30,859.4</u>  | <u>30,566.6</u> | <u>30,451.1</u> | <u>29,566.1</u> | <u>30,531.8</u>  | <u>31,880.8</u>  | <u>29,566.1</u> |
| Assets under administration <sup>4</sup>                    |                  |                  |                  |                  |                  |                  |                 |                 |                 |                  |                  |                 |
| Total   | <u>78,414.1</u>  | <u>84,751.9</u>  | <u>84,126.9</u>  | <u>82,628.2</u>  | <u>79,300.4</u>  | <u>76,421.5</u>  | <u>44,011.7</u> | <u>42,833.6</u> | <u>41,354.5</u> | <u>78,414.1</u>  | <u>79,300.4</u>  | <u>41,354.5</u> |
| Total   | <u>108,945.9</u> | <u>117,392.3</u> | <u>116,617.2</u> | <u>114,347.1</u> | <u>111,181.2</u> | <u>107,280.9</u> | <u>74,578.3</u> | <u>73,284.7</u> | <u>70,920.6</u> | <u>108,945.9</u> | <u>111,181.2</u> | <u>70,920.6</u> |
| <b>Group Insurance</b>                                      |                  |                  |                  |                  |                  |                  |                 |                 |                 |                  |                  |                 |
| Sales <sup>1</sup>  |                  |                  |                  |                  |                  |                  |                 |                 |                 |                  |                  |                 |
| Employee Plans  | 7.2              | 9.4              | 56.4             | 19.5             | 7.2              | 35.4             | 28.9            | 35.8            | 23.1            | 92.5             | 107.3            | 71.2            |
| Dealer Services - Creditor Insurance <sup>5</sup>           | 87.0             | 108.3            | 106.6            | 72.3             | 99.0             | 120.3            | 106.4           | 75.7            | 85.5            | 374.2            | 401.4            | 363.0           |
| Dealer Services - P&C                                       | 54.8             | 66.1             | 71.4             | 49.9             | 49.0             | 66.1             | 71.8            | 46.5            | 43.8            | 242.2            | 233.4            | 196.9           |
| Special Markets Solutions                                   | 76.2             | 57.6             | 56.8             | 65.0             | 79.1             | 54.1             | 43.5            | 54.5            | 59.8            | 255.6            | 231.2            | 194.1           |
| Total sales   | <u>225.2</u>     | <u>241.4</u>     | <u>291.2</u>     | <u>206.7</u>     | <u>234.3</u>     | <u>275.9</u>     | <u>250.6</u>    | <u>212.5</u>    | <u>212.2</u>    | <u>964.5</u>     | <u>973.3</u>     | <u>825.2</u>    |

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

<sup>2</sup> Asset amounts have been adjusted retroactively in Q3-2018 further to recent acquisitions.

<sup>3</sup> In Q3-2018, Individual Wealth Management general fund assets for prior periods were adjusted retroactively following a reclassification.

<sup>4</sup> Includes assets related to distribution affiliates.

<sup>5</sup> Includes all creditor insurance business sold by the Company.

**BUSINESS GROWTH (continued)**

| <i>(In millions of dollars, unless otherwise indicated)</i> | 2018     |          |          |          | 2017     |          |          |          | 2016     | 2018     | 2017     | 2016     |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
|   | Q4       | Q3       | Q2       | Q1       | Q4       | Q3       | Q2       | Q1       | Q4       | Annual   | Annual   | Annual   |
| <b>Group Insurance (continued)</b>                          |          |          |          |          |          |          |          |          |          |          |          |          |
| Net premiums and premium equivalents                        |          |          |          |          |          |          |          |          |          |          |          |          |
| Employee Plans  | 247.7    | 251.1    | 244.3    | 238.5    | 237.2    | 224.7    | 222.7    | 222.2    | 214.0    | 981.6    | 906.8    | 844.4    |
| Dealer Services - Creditor Insurance                        | 64.5     | 75.4     | 73.9     | 43.3     | 66.3     | 84.6     | 71.5     | 41.9     | 51.3     | 257.1    | 264.3    | 233.2    |
| Dealer Services - P&C                                       | 35.2     | 35.5     | 31.3     | 31.4     | 36.5     | 30.5     | 28.4     | 24.6     | 26.4     | 133.4    | 120.0    | 94.8     |
| Special Markets Solutions                                   | 72.2     | 53.8     | 52.3     | 61.2     | 75.4     | 50.4     | 39.7     | 50.9     | 56.3     | 239.5    | 216.4    | 180.0    |
| Total net premiums  | 419.6    | 415.8    | 401.8    | 374.4    | 415.4    | 390.2    | 362.3    | 339.6    | 348.0    | 1,611.6  | 1,507.5  | 1,352.4  |
| Premium equivalents and deposits                            |          |          |          |          |          |          |          |          |          |          |          |          |
| Administrative services only contracts (ASO)                | 18.3     | 16.5     | 15.9     | 15.9     | 13.9     | 13.0     | 13.4     | 13.6     | 10.8     | 66.6     | 53.9     | 45.0     |
| Investment contracts  | 26.9     | 32.2     | 19.6     | 32.2     | 15.5     | 14.9     | 11.0     | 18.6     | 19.6     | 110.9    | 60.0     | 74.3     |
| Total   | 464.8    | 464.5    | 437.3    | 422.5    | 444.8    | 418.1    | 386.7    | 371.8    | 378.4    | 1,789.1  | 1,621.4  | 1,471.7  |
| Car loans <sup>1</sup>                                      |          |          |          |          |          |          |          |          |          |          |          |          |
| Dealer Services - Non-Prime Loan originations               | 98.9     | 90.5     | 82.7     | 74.4     | 62.2     | 64.9     | 58.7     | 50.9     | 51.6     | 346.5    | 236.7    | 170.3    |
| Dealer Services - Non-Prime Finance receivables             | 529.9    | 474.5    | 425.3    | 381.6    | 343.2    | 313.8    | 277.0    | 246.8    | 221.4    | 529.9    | 343.2    | 221.4    |
| <b>Group Savings and Retirement</b>                         |          |          |          |          |          |          |          |          |          |          |          |          |
| Sales <sup>1</sup>  |          |          |          |          |          |          |          |          |          |          |          |          |
| Accumulation contracts                                      |          |          |          |          |          |          |          |          |          |          |          |          |
| General fund  | 17.7     | 10.6     | 17.8     | 14.8     | 8.3      | 10.2     | 19.1     | 10.6     | 9.6      | 60.9     | 48.2     | 44.6     |
| Segregated funds  | 394.1    | 276.1    | 323.9    | 346.4    | 264.6    | 287.4    | 352.4    | 415.3    | 339.4    | 1,340.5  | 1,319.7  | 1,290.3  |
| Total   | 411.8    | 286.7    | 341.7    | 361.2    | 272.9    | 297.6    | 371.5    | 425.9    | 349.0    | 1,401.4  | 1,367.9  | 1,334.9  |
| Insured annuities (general fund)                            | 9.8      | 22.7     | 21.0     | 164.9    | 45.9     | 1.6      | 42.8     | 31.9     | 5.5      | 218.4    | 122.2    | 85.1     |
| Deposits  | 16.7     | 13.9     | 7.3      | 9.2      | 15.9     | 10.0     | 11.7     | 17.4     | 12.7     | 47.1     | 55.0     | 61.4     |
| Total sales   | 438.3    | 323.3    | 370.0    | 535.3    | 334.7    | 309.2    | 426.0    | 475.2    | 367.2    | 1,666.9  | 1,545.1  | 1,481.4  |
| Net premiums and deposits                                   |          |          |          |          |          |          |          |          |          |          |          |          |
| Net premiums  | 415.4    | 303.3    | 356.4    | 519.8    | 312.4    | 292.7    | 407.7    | 451.1    | 347.9    | 1,594.9  | 1,463.9  | 1,393.6  |
| Deposits  | 16.7     | 13.9     | 7.3      | 9.2      | 15.9     | 10.0     | 11.7     | 17.4     | 12.7     | 47.1     | 55.0     | 61.4     |
| Total   | 432.1    | 317.2    | 363.7    | 529.0    | 328.3    | 302.7    | 419.4    | 468.5    | 360.6    | 1,642.0  | 1,518.9  | 1,455.0  |
| Assets under management                                     |          |          |          |          |          |          |          |          |          |          |          |          |
| Accumulation contracts                                      |          |          |          |          |          |          |          |          |          |          |          |          |
| General fund  | 231.1    | 226.3    | 219.4    | 215.9    | 220.2    | 233.1    | 231.2    | 234.5    | 237.7    | 231.1    | 220.2    | 237.7    |
| Segregated funds  | 9,787.1  | 10,119.8 | 10,050.3 | 9,673.5  | 9,650.8  | 9,243.9  | 9,122.3  | 8,917.9  | 8,478.1  | 9,787.1  | 9,650.8  | 8,478.1  |
| Other   | 850.4    | 845.3    | 840.2    | 831.5    | 836.9    | 825.1    | 825.3    | 823.9    | 801.9    | 850.4    | 836.9    | 801.9    |
| Total   | 10,868.6 | 11,191.4 | 11,109.9 | 10,720.9 | 10,707.9 | 10,302.1 | 10,178.8 | 9,976.3  | 9,517.7  | 10,868.6 | 10,707.9 | 9,517.7  |
| Insured annuities (general fund)                            | 3,246.1  | 3,314.8  | 3,360.1  | 3,370.5  | 3,246.6  | 3,183.4  | 3,276.5  | 3,217.0  | 3,196.0  | 3,246.1  | 3,246.6  | 3,196.0  |
| Total   | 14,114.7 | 14,506.2 | 14,470.0 | 14,091.4 | 13,954.5 | 13,485.5 | 13,455.3 | 13,193.3 | 12,713.7 | 14,114.7 | 13,945.5 | 12,713.7 |

<sup>1</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    | 2018     | 2017    | 2016    |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|---------|---------|
|   | Q4      | Q3      | Q2      | Q1      | Q4      | Q3      | Q2      | Q1      | Q4      | Annual   | Annual  | Annual  |
| <b>US Operations<sup>1</sup></b>  |         |         |         |         |         |         |         |         |         |          |         |         |
| Sales (\$US) <sup>2</sup>   |         |         |         |         |         |         |         |         |         |          |         |         |
| Individual Insurance  | 21.4    | 21.0    | 21.5    | 17.3    | 17.5    | 17.7    | 20.0    | 17.7    | 16.6    | 81.2     | 72.9    | 71.7    |
| Dealer Services - P&C <sup>3</sup>  | 79.3    | 104.8   | 102.9   | 88.1    | —       | —       | —       | —       | —       | 375.1    | —       | —       |
| Sales (\$CAN) <sup>2</sup>  |         |         |         |         |         |         |         |         |         |          |         |         |
| Individual Insurance  | 28.2    | 27.5    | 27.7    | 21.8    | 22.1    | 22.1    | 26.9    | 23.4    | 22.2    | 105.2    | 94.5    | 95.0    |
| Dealer Services - P&C <sup>3</sup>  | 105.2   | 136.6   | 132.8   | 111.3   | —       | —       | —       | —       | —       | 485.9    | —       | —       |
| Net Premiums and Premium Equivalents (\$CAN)                                    |         |         |         |         |         |         |         |         |         |          |         |         |
| Individual Insurance  | 92.9    | 88.5    | 85.5    | 81.0    | 79.5    | 75.5    | 79.9    | 74.9    | 73.3    | 347.9    | 309.8   | 275.0   |
| Dealer Services - P&C <sup>3</sup>  | 9.4     | 17.1    | 10.5    | 20.5    | —       | —       | —       | —       | —       | 57.5     | —       | —       |
| Total Net Premiums  | 102.3   | 105.6   | 96.0    | 101.5   | 79.5    | 75.5    | 79.9    | 74.9    | 73.3    | 405.4    | 309.8   | 275.0   |
| Premium Equivalents   | 30.5    | 35.1    | 35.6    | 27.1    | —       | —       | —       | —       | —       | 128.3    | —       | —       |
| Total Net premiums and Premium Equivalents                                      | 132.8   | 140.7   | 131.6   | 128.6   | 79.5    | 75.5    | 79.9    | 74.9    | 73.3    | 533.7    | 309.8   | 275.0   |
| <b>General Insurance</b>  |         |         |         |         |         |         |         |         |         |          |         |         |
| Sales <sup>2</sup>  |         |         |         |         |         |         |         |         |         |          |         |         |
| iAAH (Auto & Home)  | 68.5    | 87.3    | 104.8   | 62.2    | 64.2    | 82.5    | 102.7   | 59.4    | 59.4    | 322.8    | 308.8   | 278.6   |
| <b>Net premiums, premium equivalents and deposits by line of business</b>       |         |         |         |         |         |         |         |         |         |          |         |         |
| Individual Insurance  | 399.4   | 384.5   | 378.7   | 391.8   | 394.7   | 363.8   | 371.8   | 362.2   | 383.9   | 1,554.4  | 1,492.5 | 1,423.6 |
| Individual Wealth Management  | 1,046.6 | 994.6   | 1,087.8 | 1,397.4 | 1,095.3 | 951.6   | 1,088.3 | 1,430.1 | 989.6   | 4,526.4  | 4,565.3 | 3,326.7 |
| Group Insurance   | 464.8   | 464.5   | 437.3   | 422.5   | 444.8   | 418.1   | 386.7   | 371.8   | 378.4   | 1,789.1  | 1,621.4 | 1,471.7 |
| Group Savings and Retirement  | 432.1   | 317.2   | 363.7   | 529.0   | 328.3   | 302.7   | 419.4   | 468.5   | 360.6   | 1,642.0  | 1,518.9 | 1,455.0 |
| US Operations <sup>1,4</sup>  | 132.8   | 140.7   | 131.6   | 128.6   | 79.5    | 75.5    | 79.9    | 74.9    | 73.3    | 533.7    | 309.8   | 275.0   |
| General Insurance <sup>5</sup>  | 75.3    | 74.3    | 73.2    | 71.7    | 72.8    | 72.1    | 68.9    | 66.7    | 66.6    | 294.5    | 280.5   | 250.5   |
| Total   | 2,551.0 | 2,375.8 | 2,472.3 | 2,941.0 | 2,415.4 | 2,183.8 | 2,415.0 | 2,774.2 | 2,252.4 | 10,340.1 | 9,788.4 | 8,202.5 |
| <b>Distribution of net premiums, premium equivalents and deposits by region</b> |         |         |         |         |         |         |         |         |         |          |         |         |
| Atlantic provinces  | 3.7%    | 3.9%    | 3.8%    | 3.8%    | 4.1%    | 4.3%    | 4.2%    | 3.6%    | 4.1%    | 3.8%     | 4.0%    | 4.1%    |
| Quebec  | 38.2%   | 42.0%   | 46.7%   | 38.8%   | 36.2%   | 38.2%   | 40.0%   | 39.0%   | 38.6%   | 41.3%    | 38.4%   | 42.5%   |
| Ontario   | 30.3%   | 27.1%   | 28.6%   | 26.3%   | 29.2%   | 29.1%   | 27.2%   | 30.1%   | 30.1%   | 28.0%    | 29.0%   | 27.9%   |
| Western provinces   | 22.6%   | 21.1%   | 15.5%   | 26.7%   | 27.2%   | 24.9%   | 25.2%   | 24.6%   | 23.9%   | 21.7%    | 25.4%   | 22.1%   |
| Outside Canada  | 5.2%    | 5.9%    | 5.4%    | 4.4%    | 3.3%    | 3.5%    | 3.4%    | 2.7%    | 3.3%    | 5.2%     | 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%  |

<sup>1</sup> As of Q1-2018, the Company began presenting its US Operations as a separate line of business.

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

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

<sup>4</sup> In Q3-2018, an adjustment was made retroactively to Q1-2018 to include premium equivalents for the US P&C business following the acquisition of IA American Casualty Holdings Inc.

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

**BUSINESS GROWTH (continued)**

| <i>(In millions of dollars, unless otherwise indicated)</i>   | 2018      |           |           |           | 2017      |           |           |           | 2016      | 2018      | 2017      | 2016      |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|   | Q4        | Q3        | Q2        | Q1        | Q4        | Q3        | Q2        | Q1        | Q4        | Annual    | Annual    | Annual    |
| <b>Assets under management and administration<sup>1</sup></b> |           |           |           |           |           |           |           |           |           |           |           |           |
| Assets under management                                       |           |           |           |           |           |           |           |           |           |           |           |           |
| General fund <sup>2</sup>                                     | 39,759.5  | 39,067.5  | 39,920.0  | 39,133.0  | 37,789.4  | 37,146.2  | 37,001.8  | 36,329.6  | 35,223.8  | 39,759.5  | 37,789.4  | 35,223.8  |
| Segregated funds  | 23,780.6  | 25,033.6  | 24,887.6  | 24,100.1  | 24,117.0  | 23,207.1  | 22,942.0  | 22,664.1  | 21,825.8  | 23,780.6  | 24,117.0  | 21,825.8  |
| Mutual funds  | 10,832.8  | 11,760.1  | 11,740.3  | 11,503.2  | 11,723.2  | 11,446.0  | 11,356.9  | 11,314.3  | 10,937.5  | 10,832.8  | 11,723.2  | 10,937.5  |
| Other <sup>3</sup>  | 14,721.1  | 15,127.5  | 15,194.1  | 15,096.8  | 15,123.1  | 15,114.7  | 16,856.1  | 17,006.3  | 16,859.9  | 14,721.1  | 15,123.1  | 16,859.9  |
| Total   | 89,094.0  | 90,988.7  | 91,742.0  | 89,833.1  | 88,752.7  | 86,914.0  | 88,156.8  | 87,314.3  | 84,847.0  | 89,094.0  | 88,752.7  | 84,847.0  |
| Assets under administration                                   | 79,677.5  | 86,056.1  | 85,510.8  | 84,063.9  | 80,787.1  | 77,899.5  | 44,047.0  | 42,870.3  | 41,387.2  | 79,677.5  | 80,787.1  | 41,387.2  |
| Total   | 168,771.5 | 177,044.8 | 177,252.8 | 173,897.0 | 169,539.8 | 164,813.5 | 132,203.8 | 130,184.6 | 126,234.2 | 168,771.5 | 169,539.8 | 126,234.2 |
| <b>Human resources</b>  |           |           |           |           |           |           |           |           |           |           |           |           |
| Number of employees   | 6,877     | 6,849     | 6,764     | 6,548     | 6,115     | 6,009     | 5,775     | 5,563     | 5,350     | 6,877     | 6,115     | 5,350     |
| Number of Career representatives                              | 2,233     | 2,173     | 2,139     | 2,200     | 2,270     | 2,203     | 2,229     | 2,223     | 2,157     | 2,233     | 2,270     | 2,157     |

<sup>1</sup> Asset amounts have been adjusted retroactively in Q3-2018 further to recent acquisitions.

<sup>2</sup> In Q3-2018, an adjustment was made retroactively to January 1, 2018, further to the application of IFRS-15.

<sup>3</sup> Mainly assets managed for third parties.

**INVESTED ASSETS**

| <i>(In millions of dollars, unless otherwise indicated)</i>           | 2018          |               |               |               | 2017          |               |               |               | 2016          |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | Q4            | Q3            | Q2            | Q1            | Q4            | Q3            | Q2            | Q1            | Q4            |
| <b>Value and distribution of investments</b>                          |               |               |               |               |               |               |               |               |               |
| Book value of investment portfolio                                    | 34,578.9      | 33,994.0      | 34,805.4      | 33,992.4      | 33,821.9      | 32,368.5      | 32,656.4      | 31,593.2      | 31,090.9      |
| Distribution of investments by financial instrument category          |               |               |               |               |               |               |               |               |               |
| Available for sale  | 12.3%         | 12.9%         | 13.2%         | 12.6%         | 12.0%         | 12.2%         | 12.4%         | 13.3%         | 13.4%         |
| Fair value through profit or loss (FVTPL)                             | 60.8%         | 61.6%         | 62.7%         | 62.8%         | 63.1%         | 62.3%         | 62.7%         | 61.2%         | 60.7%         |
| Loans and receivables   | 21.0%         | 20.4%         | 19.3%         | 19.7%         | 20.0%         | 20.8%         | 20.3%         | 20.8%         | 21.0%         |
| Investment properties   | 5.0%          | 4.2%          | 3.9%          | 4.0%          | 4.0%          | 3.8%          | 3.8%          | 3.9%          | 4.0%          |
| Other   | 0.9%          | 0.9%          | 0.9%          | 0.9%          | 0.9%          | 0.9%          | 0.8%          | 0.8%          | 0.9%          |
| <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   | 68.3%         | 67.8%         | 69.8%         | 69.2%         | 67.8%         | 67.7%         | 68.5%         | 68.5%         | 67.9%         |
| Stocks  | 8.8%          | 9.8%          | 9.7%          | 9.9%          | 10.3%         | 10.1%         | 10.0%         | 9.9%          | 9.9%          |
| Mortgages and other loans   | 10.6%         | 10.2%         | 9.6%          | 9.7%          | 9.7%          | 10.1%         | 10.0%         | 10.5%         | 10.6%         |
| Investment properties   | 5.0%          | 4.2%          | 3.9%          | 4.0%          | 4.0%          | 3.8%          | 3.8%          | 3.9%          | 4.0%          |
| Policy loans  | 2.7%          | 2.7%          | 2.7%          | 2.7%          | 2.8%          | 2.9%          | 2.9%          | 3.0%          | 3.0%          |
| Cash and short-term investments                                       | 3.0%          | 3.5%          | 2.4%          | 2.7%          | 3.4%          | 3.8%          | 3.0%          | 2.6%          | 2.9%          |
| Other <sup>1</sup>  | 1.6%          | 1.8%          | 1.9%          | 1.8%          | 2.0%          | 1.6%          | 1.8%          | 1.6%          | 1.7%          |
| <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 region                                 |               |               |               |               |               |               |               |               |               |
| Atlantic provinces  | 3.1%          | 3.2%          | 3.1%          | 3.1%          | 3.2%          | 3.4%          | 3.4%          | 3.5%          | 3.5%          |
| Quebec  | 27.8%         | 27.9%         | 28.2%         | 28.8%         | 29.7%         | 30.5%         | 31.4%         | 32.5%         | 33.4%         |
| Ontario   | 32.7%         | 32.3%         | 33.1%         | 32.1%         | 31.8%         | 31.7%         | 31.3%         | 29.5%         | 28.8%         |
| Western provinces   | 18.4%         | 18.5%         | 18.1%         | 18.3%         | 18.4%         | 18.0%         | 17.5%         | 18.6%         | 17.6%         |
| Outside Canada  | 18.0%         | 18.1%         | 17.5%         | 17.7%         | 16.9%         | 16.4%         | 16.4%         | 15.9%         | 16.7%         |
| <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> |
| <b>Impaired investments and provisions</b>                            |               |               |               |               |               |               |               |               |               |
| Gross impaired investments (excluding insured loans)                  | 24.5          | 24.6          | 24.7          | 27.3          | 30.9          | 31.1          | 31.5          | 31.6          | 29.0          |
| Provisions for impaired investments (specific)                        | 8.6           | 6.0           | 6.1           | 6.9           | 7.5           | 5.6           | 5.6           | 5.7           | 5.6           |
| As a % of gross impaired investments                                  | 35.1%         | 24.4%         | 24.7%         | 25.3%         | 24.3%         | 18.0%         | 17.8%         | 18.0%         | 19.3%         |
| Net impaired investments (excluding insured loans)                    |               |               |               |               |               |               |               |               |               |
| Bonds   | 12.8          | 15.1          | 15.1          | 15.1          | 15.1          | 16.8          | 16.8          | 16.9          | 16.9          |
| Mortgages and other loans   | 3.1           | 3.5           | 3.5           | 5.3           | 8.3           | 8.7           | 9.1           | 9.0           | 6.5           |
| <b>Total</b>  | <b>15.9</b>   | <b>18.6</b>   | <b>18.6</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>   |
| Net impaired investments as a % of investment portfolio               | 0.05%         | 0.05%         | 0.05%         | 0.06%         | 0.07%         | 0.08%         | 0.08%         | 0.08%         | 0.08%         |
| Provisions for losses (collective and specific)                       |               |               |               |               |               |               |               |               |               |
| At beginning of period  | 13.9          | 13.5          | 13.4          | 13.9          | 11.8          | 10.7          | 10.9          | 10.1          | 8.8           |
| Increase for the period   | 10.4          | 6.0           | 6.1           | 5.7           | 7.4           | 5.4           | 4.2           | 5.3           | 6.5           |
| Decrease for the period   | (7.6)         | (5.6)         | (6.0)         | (6.2)         | (5.3)         | (4.3)         | (4.4)         | (4.5)         | (5.2)         |
| At end of period  | 16.7          | 13.9          | 13.5          | 13.4          | 13.9          | 11.8          | 10.7          | 10.9          | 10.1          |
| Provisions for losses by type of investment (collective and specific) |               |               |               |               |               |               |               |               |               |
| Bonds   | 7.9           | 5.7           | 5.7           | 5.7           | 5.7           | 4.1           | 4.1           | 4.1           | 4.1           |
| Mortgages   | 0.6           | 0.2           | 0.3           | 1.0           | 1.8           | 1.5           | 1.5           | 1.5           | 1.5           |
| Car loans   | 8.2           | 8.0           | 7.5           | 6.7           | 6.4           | 6.2           | 5.1           | 5.3           | 4.5           |
| <b>Total</b>  | <b>16.7</b>   | <b>13.9</b>   | <b>13.5</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>   |
| Other quality measure   |               |               |               |               |               |               |               |               |               |
| Car loans - Average credit loss rate (non-prime) <sup>2</sup>         | 5.2%          | 5.2%          | 5.4%          | 5.7%          | 5.9%          | 6.1%          | 6.7%          | 7.4%          | 8.0%          |

<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. Quarterly average credit loss on a trailing 12 months basis. Represents total credit losses divided by the average finance receivables over the same period.

| <b>INVESTED ASSETS (continued)</b>                          |             |           |           |           |             |           |           |           |             |
|---|-------------|-----------|-----------|-----------|-------------|-----------|-----------|-----------|-------------|
| <i>(In millions of dollars, unless otherwise indicated)</i> | <b>2018</b> |           |           |           | <b>2017</b> |           |           |           | <b>2016</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>Q4</b>   |
| <b>Real estate acquired to settle loans</b>                 |             |           |           |           |             |           |           |           |             |
| Real estate held for resale                                 | 0.6         | 4.6       | 4.7       | 4.6       | 10.2        | 10.1      | 10.5      | 10.8      | 10.9        |
| <b>Bonds</b>  |             |           |           |           |             |           |           |           |             |
| Book value of the bond portfolio                            | 23,592.3    | 23,064.3  | 24,314.1  | 23,514.4  | 22,944.1    | 21,935.5  | 22,338.0  | 21,604.9  | 21,086.8    |
| Distribution by financial instrument category               |             |           |           |           |             |           |           |           |             |
| Available for sale  | 16.2%       | 17.1%     | 17.0%     | 16.3%     | 15.8%       | 16.1%     | 16.5%     | 17.6%     | 18.1%       |
| Fair value through profit or loss (FVTPL)                   | 74.7%       | 73.7%     | 74.5%     | 74.9%     | 75.3%       | 74.6%     | 74.6%     | 73.2%     | 72.5%       |
| Loans and receivables                                       | 9.1%        | 9.2%      | 8.5%      | 8.8%      | 8.9%        | 9.3%      | 8.9%      | 9.2%      | 9.4%        |
| 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  | 5.21%       | 5.20%     | 5.05%     | 5.70%     | 4.85%       | 4.41%     | 4.83%     | 3.94%     | 5.08%       |
| Rating - AA   | 35.41%      | 34.17%    | 35.20%    | 33.81%    | 34.19%      | 33.76%    | 32.44%    | 31.05%    | 29.35%      |
| Rating - A  | 41.89%      | 42.76%    | 42.37%    | 43.19%    | 43.63%      | 43.73%    | 44.39%    | 46.97%    | 47.85%      |
| Rating - BBB  | 16.71%      | 17.05%    | 16.57%    | 16.44%    | 16.34%      | 17.25%    | 17.68%    | 17.36%    | 16.96%      |
| Rating - BB and lower                                       | 0.78%       | 0.82%     | 0.81%     | 0.86%     | 0.99%       | 0.85%     | 0.66%     | 0.68%     | 0.76%       |
| 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   | 50.7%       | 49.6%     | 51.3%     | 51.5%     | 52.0%       | 50.7%     | 50.5%     | 51.2%     | 51.4%       |
| Municipalities  | 5.1%        | 5.0%      | 4.9%      | 4.9%      | 5.0%        | 4.9%      | 4.7%      | 4.5%      | 4.4%        |
| Corporates - Public issues                                  | 26.3%       | 27.5%     | 26.7%     | 26.7%     | 26.1%       | 26.7%     | 27.4%     | 27.1%     | 26.2%       |
| Corporates - Private issues                                 | 17.9%       | 17.9%     | 17.1%     | 16.9%     | 16.9%       | 17.7%     | 17.4%     | 17.2%     | 18.0%       |
| 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            | 3,661.3     | 3,456.5   | 3,324.5   | 3,304.8   | 3,288.1     | 3,255.2   | 3,277.3   | 3,311.5   | 3,292.3     |
| Book value of mortgages                                     | 2,999.4     | 2,826.5   | 2,720.4   | 2,719.5   | 2,718.5     | 2,690.3   | 2,718.9   | 2,761.6   | 2,776.5     |
| Book value of other loans                                   | 661.9       | 630.0     | 604.1     | 585.3     | 569.6       | 564.9     | 558.4     | 549.9     | 515.8       |
| Distribution by financial instrument category               |             |           |           |           |             |           |           |           |             |
| Held for trading  | 2.5%        | 2.2%      | 2.4%      | 2.0%      | 1.9%        | 1.9%      | 1.7%      | 1.6%      | 1.7%        |
| Loans and receivables                                       | 97.5%       | 97.8%     | 97.6%     | 98.0%     | 98.1%       | 98.1%     | 98.3%     | 98.4%     | 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   | 36.0%       | 37.0%     | 35.3%     | 35.2%     | 35.5%       | 35.7%     | 34.8%     | 33.0%     | 32.2%       |
| Multi-residential   | 55.4%       | 55.6%     | 56.8%     | 57.2%     | 56.7%       | 56.0%     | 56.5%     | 55.7%     | 56.1%       |
| Non-residential   | 8.6%        | 7.4%      | 7.9%      | 7.6%      | 7.8%        | 8.3%      | 8.7%      | 11.3%     | 11.7%       |
| 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   | 76.4%       | 76.4%     | 76.2%     | 76.8%     | 78.1%       | 78.1%     | 78.7%     | 77.3%     | 77.1%       |
| Conventional  | 23.6%       | 23.6%     | 23.8%     | 23.2%     | 21.9%       | 21.9%     | 21.3%     | 22.7%     | 22.9%       |
| 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    |
|   | Q4      | Q3      | Q2      | Q1      | Q4      | Q3      | Q2      | Q1      | Q4      |
| <b>Mortgages</b>  |         |         |         |         |         |         |         |         |         |
| Other quality measures  |         |         |         |         |         |         |         |         |         |
| Delinquency rate <sup>1</sup>   |         |         |         |         |         |         |         |         |         |
| Insured loans   | 0.11%   | 0.12%   | 0.16%   | 0.14%   | 0.13%   | 0.13%   | 0.14%   | 0.15%   | 0.02%   |
| Conventional loans  | —       | —       | —       | 0.36%   | 1.10%   | 1.10%   | 1.24%   | 1.10%   | 1.10%   |
| Total   | 0.09%   | 0.09%   | 0.12%   | 0.19%   | 0.34%   | 0.34%   | 0.37%   | 0.37%   | 0.27%   |
| Delinquency rate, including real estate acquired to settle loans                            | 0.11%   | 0.25%   | 0.29%   | 0.36%   | 0.71%   | 0.72%   | 0.76%   | 0.76%   | 0.66%   |
| <b>Stocks</b>   |         |         |         |         |         |         |         |         |         |
| Book value of the stock portfolio   | 3,054.8 | 3,319.3 | 3,363.0 | 3,378.9 | 3,467.0 | 3,271.0 | 3,278.5 | 3,139.9 | 3,083.0 |
| Distribution by financial instrument category   |         |         |         |         |         |         |         |         |         |
| Available for sale  | 14.2%   | 13.5%   | 13.3%   | 12.7%   | 12.8%   | 12.4%   | 11.7%   | 13.1%   | 11.8%   |
| Fair value through profit or loss (FVTPL)   | 85.8%   | 86.5%   | 86.7%   | 87.3%   | 87.2%   | 87.6%   | 88.3%   | 86.9%   | 88.2%   |
| Total   | 100.0%  | 100.0%  | 100.0%  | 100.0%  | 100.0%  | 100.0%  | 100.0%  | 100.0%  | 100.0%  |
| Distribution by category  |         |         |         |         |         |         |         |         |         |
| Common  | 59.7%   | 58.6%   | 56.1%   | 54.3%   | 53.7%   | 52.5%   | 52.0%   | 51.9%   | 52.3%   |
| Preferred   | 16.3%   | 18.7%   | 18.7%   | 18.3%   | 18.3%   | 19.3%   | 18.7%   | 20.0%   | 19.7%   |
| Market indices  | 10.2%   | 8.7%    | 11.0%   | 13.8%   | 14.3%   | 14.0%   | 15.2%   | 13.5%   | 13.7%   |
| Investment fund units and other   | 13.8%   | 14.0%   | 14.2%   | 13.6%   | 13.7%   | 14.2%   | 14.1%   | 14.6%   | 14.3%   |
| 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%   | 55.5%   | 55.9%   | 57.8%   | 57.2%   | 56.3%   | 56.9%   | 53.3%   | 54.4%   |
| Backing UL accounts   | 26.2%   | 26.8%   | 26.7%   | 25.4%   | 25.8%   | 26.7%   | 26.4%   | 27.5%   | 27.7%   |
| Backing capital   | 17.9%   | 17.7%   | 17.4%   | 16.8%   | 17.0%   | 17.0%   | 16.7%   | 19.2%   | 17.9%   |
| 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   | 1,720.5 | 1,416.0 | 1,356.8 | 1,343.0 | 1,340.8 | 1,228.2 | 1,249.8 | 1,236.0 | 1,237.8 |
| Linearization of rents  | 17.4    | 15.0    | 14.2    | 13.8    | 13.0    | 11.6    | 11.1    | 10.7    | 10.1    |
| Fair value of investment properties   | 1,737.9 | 1,431.0 | 1,371.0 | 1,356.8 | 1,353.8 | 1,239.8 | 1,260.9 | 1,246.7 | 1,247.9 |
| Occupancy rate on investment properties   | 95.0%   | 93.0%   | 92.0%   | 92.0%   | 93.0%   | 89.0%   | 92.0%   | 89.5%   | 90.2%   |
| <b>Other</b>  |         |         |         |         |         |         |         |         |         |
| Provision for potential loss on fixed-income securities contained in the policy liabilities | 289.6   | 323.0   | 346.7   | 335.3   | 335.7   | 323.3   | 361.0   | 327.4   | 326.6   |

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

**SOLVENCY AND CAPITALIZATION**

| <i>(In millions of dollars, unless otherwise indicated)</i>    | 2018                         |         |         |         | 2017         |         |                  |         | 2016    |
|--|------------------------------|---------|---------|---------|--------------|---------|------------------|---------|---------|
|  | Q4                           | Q3      | Q2      | Q1      | Q4           | Q3      | Q2               | Q1      | Q4      |
| <b>Capital structure</b>                                       |                              |         |         |         |              |         |                  |         |         |
| Debentures   | 901.4                        | 901.0   | 1,000.8 | 1,000.4 | 996.3        | 996.1   | 995.8            | 995.6   | 995.3   |
| Participating policyholders' accounts                          | 45.3                         | 42.5    | 42.1    | 41.5    | 41.0         | 39.4    | 39.3             | 39.3    | 39.0    |
| Equity   |                              |         |         |         |              |         |                  |         |         |
| Common shares  | 1,655.5                      | 1,671.6 | 1,669.9 | 1,668.0 | 1,520.9      | 1,512.9 | 1,511.4          | 1,505.5 | 1,498.8 |
| Preferred shares   | 525.0                        | 525.0   | 525.0   | 525.0   | 375.0        | 375.0   | 375.0            | 375.0   | 375.0   |
| Contributed surplus  | 22.8                         | 21.5    | 20.9    | 20.2    | 19.5         | 19.7    | 18.7             | 18.5    | 18.5    |
| Retained earnings <sup>1,2</sup>                               | 3,447.0                      | 3,426.1 | 3,304.9 | 3,135.0 | 3,072.8      | 2,994.4 | 2,850.9          | 2,790.0 | 2,793.2 |
| Accumulated other comprehensive income                         | 22.5                         | (1.3)   | 29.1    | 36.7    | 48.9         | 27.4    | 62.0             | 81.4    | 40.1    |
| Total shareholders' equity                                     | 5,672.8                      | 5,642.9 | 5,549.8 | 5,384.9 | 5,037.1      | 4,929.4 | 4,818.0          | 4,770.4 | 4,725.6 |
| Total capital structure  | 6,619.5                      | 6,586.4 | 6,592.7 | 6,426.8 | 6,074.4      | 5,964.9 | 5,853.1          | 5,805.3 | 5,759.9 |
| <b>Debt measures</b>   |                              |         |         |         |              |         |                  |         |         |
| Debentures/capital structure <sup>2</sup>                      | 13.6%                        | 13.7%   | 15.2%   | 15.6%   | 16.4%        | 16.7%   | 17.0%            | 17.1%   | 17.3%   |
| Debentures and preferred shares/capital structure <sup>2</sup> | 21.5%                        | 21.7%   | 23.1%   | 23.7%   | 22.6%        | 23.0%   | 23.4%            | 23.6%   | 23.8%   |
| Coverage ratio (in number of times) <sup>3</sup>               | 14.6                         | 14.5    | 14.4    | 14.1    | 13.3         | 12.7    | 12.5             | 13.0    | 12.8    |
| <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> In Q3-2018, an adjustment was made retroactively to January 1, 2018, further to the application of IFRS-15.

<sup>2</sup> In Q4-2018, the Company made an adjustment to the estimates used to establish income taxes payable in prior periods by decreasing the retained earnings as at January 1, 2017 by 58 \$.

<sup>3</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)**

| (In millions of dollars, unless otherwise indicated) | 2018      |           |           |           | 2017      |    |    |    | 2016 |
|--|-----------|-----------|-----------|-----------|-----------|----|----|----|------|
|  | Q4        | Q3        | Q2        | Q1        | Q4        | Q3 | Q2 | Q1 | Q4   |
| <b>Solvency ratio CARL<sup>1,2</sup></b>             |           |           |           |           |           |    |    |    |      |
| Available capital                                    |           |           |           |           |           |    |    |    |      |
| Tier 1 Capital:                                      |           |           |           |           |           |    |    |    |      |
| Common shares  | 1,655.5   | 1,671.6   | 1,669.9   | 1,668.0   | 1,520.9   | —  | —  | —  | —    |
| Preferred shares                                     | 525.0     | 525.0     | 525.0     | 525.0     | 375.0     | —  | —  | —  | —    |
| Other Tier 1 capital instruments                     | —         | —         | —         | —         | —         | —  | —  | —  | —    |
| Adjusted Retained Earnings <sup>3,4</sup>            | 3,442.4   | 3,411.2   | 3,291.3   | 3,126.4   | 3,067.5   | —  | —  | —  | —    |
| Other  | 91.4      | 67.3      | 96.9      | 101.8     | 107.9     | —  | —  | —  | —    |
| Gross Tier 1   | 5,714.3   | 5,675.1   | 5,583.1   | 5,421.2   | 5,071.3   | —  | —  | —  | —    |
| Deductions for Goodwill and Other intangibles assets | (1,208.1) | (1,167.3) | (1,176.0) | (1,120.1) | (853.9)   | —  | —  | —  | —    |
| Other Tier 1 Deductions <sup>3</sup>                 | (1,429.3) | (1,282.3) | (1,211.3) | (1,212.4) | (1,165.3) | —  | —  | —  | —    |
| Tier 1   | 3,076.9   | 3,225.5   | 3,195.8   | 3,088.7   | 3,052.1   | —  | —  | —  | —    |
| Tier 2 Capital                                       |           |           |           |           |           |    |    |    |      |
| Subordinated debt                                    | 897.4     | 897.1     | 996.8     | 996.6     | 996.3     | —  | —  | —  | —    |
| Other Tier 2 capital instruments                     | —         | —         | —         | —         | —         | —  | —  | —  | —    |
| Other  | 743.1     | 597.3     | 589.2     | 634.5     | 612.9     | —  | —  | —  | —    |
| Gross Tier 2   | 1,640.5   | 1,494.4   | 1,586.0   | 1,631.1   | 1,609.2   | —  | —  | —  | —    |
| Tier 2 Deductions                                    | (248.5)   | (241.5)   | (231.7)   | (256.2)   | (197.1)   | —  | —  | —  | —    |
| Tier 2   | 1,392.0   | 1,252.9   | 1,354.3   | 1,374.9   | 1,412.1   | —  | —  | —  | —    |
| Available capital                                    | 4,468.9   | 4,478.4   | 4,550.1   | 4,463.6   | 4,464.2   | —  | —  | —  | —    |
| Surplus Allowance and Eligible Deposits              | 4,045.6   | 3,797.0   | 4,007.8   | 4,063.8   | 4,155.0   | —  | —  | —  | —    |
| Base Solvency Buffer                                 |           |           |           |           |           |    |    |    |      |
| Credit Risk  | 800.3     | 760.3     | 824.3     | 846.7     | 822.1     | —  | —  | —  | —    |
| Market Risk  | 2,481.7   | 2,616.5   | 2,622.4   | 2,707.9   | 2,870.8   | —  | —  | —  | —    |
| Insurance Risk                                       | 3,518.9   | 3,403.9   | 3,387.9   | 3,339.6   | 3,303.8   | —  | —  | —  | —    |
| Segregated Fund Guarantees Risk                      | 224.4     | 426.1     | 453.6     | 449.6     | 442.9     | —  | —  | —  | —    |
| Operational Risk                                     | 544.1     | 528.8     | 530.6     | 527.3     | 533.2     | —  | —  | —  | —    |
| Diversification and Other Credits                    | (1,135.9) | (1,103.2) | (1,112.5) | (1,102.7) | (1,105.9) | —  | —  | —  | —    |
| Base Solvency Buffer <sup>5</sup>                    | 6,755.2   | 6,964.0   | 7,041.6   | 7,106.8   | 7,210.2   | —  | —  | —  | —    |
| Total Ratio <sup>5</sup>                             | 126%      | 119%      | 122%      | 120%      | 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> In Q3-2018, an adjustment was made retroactively to January 1, 2018, further to the application of IFRS-15.

<sup>4</sup> In Q4-2018, the Company made an adjustment to the estimates used to establish income taxes payable in prior periods by decreasing the retained earnings as at January 1, 2017 by 58 \$.

<sup>5</sup> Including the scalar of 1.05

**SOLVENCY AND CAPITALIZATION (continued)**

| <i>(In millions of dollars, unless otherwise indicated)</i>       | 2018 |    |    |    | 2017    |         |         |         | 2016    |
|---|------|----|----|----|---------|---------|---------|---------|---------|
|   | Q4   | Q3 | Q2 | Q1 | Q4      | Q3      | Q2      | Q1      | Q4      |
| <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 |
| Preferred shares  | —    | —  | —  | —  | 375.0   | 375.0   | 375.0   | 375.0   | 375.0   |
| Innovative instruments in Tier 1 capital                          | —    | —  | —  | —  | —       | —       | —       | —       | —       |
| Retained earnings <sup>3</sup>                                    | —    | —  | —  | —  | 3,079.5 | 3,002.6 | 2,857.7 | 2,799.3 | 2,802.3 |
| Other   | —    | —  | —  | —  | (127.3) | 62.3    | 65.1    | 80.4    | 64.0    |
| Gross Tier 1 capital  | —    | —  | —  | —  | 4,848.1 | 4,952.8 | 4,809.2 | 4,760.2 | 4,740.1 |
| Less:   |      |    |    |    |         |         |         |         |         |
| Goodwill and other intangible assets                              | —    | —  | —  | —  | 1,157.8 | 1,147.3 | 867.6   | 847.6   | 841.9   |
| Adjustment for intangible assets                                  | —    | —  | —  | —  | (245.3) | (250.5) | (243.4) | (240.9) | (237.0) |
| Adjustment for negative reserves                                  | —    | —  | —  | —  | 107.4   | 8.1     | —       | —       | —       |
| Other   | —    | —  | —  | —  | 7.7     | 6.8     | 7.9     | 4.8     | 3.7     |
| Net Tier 1 capital  | —    | —  | —  | —  | 3,820.5 | 4,041.1 | 4,177.1 | 4,148.7 | 4,131.5 |
| Less: deductions and adjustments                                  | —    | —  | —  | —  | 123.7   | 113.3   | 83.6    | 79.8    | 77.0    |
| Adjusted Net Tier 1 capital                                       | —    | —  | —  | —  | 3,696.8 | 3,927.8 | 4,093.5 | 4,068.9 | 4,054.5 |
| Tier 2  |      |    |    |    |         |         |         |         |         |
| Limited life instruments allowed<br>(subordinated debt) (Tier 2B) | —    | —  | —  | —  | 996.3   | 996.1   | 995.8   | 995.6   | 995.3   |
| Other (Tier 2A and Tier 2C)                                       | —    | —  | —  | —  | 281.5   | 144.4   | 151.3   | 113.4   | 84.3    |
| Less: deductions  | —    | —  | —  | —  | 123.7   | 113.3   | 83.6    | 79.8    | 77.0    |
| Total Tier 2 capital allowed                                      | —    | —  | —  | —  | 1,154.1 | 1,027.2 | 1,063.5 | 1,029.2 | 1,002.6 |
| Total Tier 1 and Tier 2 capital                                   | —    | —  | —  | —  | 4,850.9 | 4,955.0 | 5,157.0 | 5,098.1 | 5,057.1 |
| Less: deductions and adjustments (total of Tier 1 and Tier 2)     | —    | —  | —  | —  | —       | —       | —       | —       | —       |
| Total available capital   | —    | —  | —  | —  | 4,850.9 | 4,955.0 | 5,157.0 | 5,098.1 | 5,057.1 |
| Required capital  |      |    |    |    |         |         |         |         |         |
| Asset default risk and market risk                                | —    | —  | —  | —  | 1,194.3 | 1,178.4 | 1,176.0 | 1,170.0 | 1,124.6 |
| Insurance risk  | —    | —  | —  | —  | 744.9   | 790.5   | 803.9   | 776.5   | 764.5   |
| Interest rate risk  | —    | —  | —  | —  | 414.1   | 382.1   | 389.2   | 371.2   | 361.5   |
| Total required capital  | —    | —  | —  | —  | 2,353.3 | 2,351.0 | 2,369.1 | 2,317.7 | 2,250.6 |
| Solvency ratio  | —    | —  | —  | —  | 206%    | 211%    | 218%    | 220%    | 225%    |

<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.

<sup>3</sup> In Q4-2018, the Company made an adjustment to the estimates used to establish income taxes payable in prior periods by decreasing the retained earnings as at January 1, 2017 by 58 \$.

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

|  | 2018        |             |             |             | 2017        |             |             |             | 2016        |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|  | Q4          | Q3          | Q2          | Q1          | Q4          | Q3          | Q2          | Q1          | Q4          |
| <b>Equity Market Sensitivity</b>   |             |             |             |             |             |             |             |             |             |
| Reference index (S&P/TSX Index (in points)) <sup>2</sup>   | 14,323      | 16,073      | 16,278      | 15,367      | 16,209      | 15,635      | 15,182      | 15,548      | 15,288      |
| Level of S&P/TSX before reserves require strengthening for future policy benefits (in points) <sup>1</sup>     | 11,500      | 11,700      | 11,800      | 11,400      | 11,300      | 11,700      | 11,400      | 11,300      | 11,400      |
| Variation  | (20%)       | (27%)       | (28%)       | (26%)       | (30%)       | (25%)       | (25%)       | (27%)       | (25%)       |
| Solvency ratio (CARLI <sup>3</sup> ) <sup>1</sup>  | 126%        | 119%        | 122%        | 120%        | —           | —           | —           | —           | —           |
| Level of S&P/TSX at which solvency ratio would be 112% (in points) <sup>4,5</sup>                              | —           | 10,000      | 9,100       | 9,700       | —           | —           | —           | —           | —           |
| Variation  | —           | (37%)       | (44%)       | (37%)       | —           | —           | —           | —           | —           |
| Level of S&P/TSX at which solvency ratio would be 110% (in points) <sup>4</sup>                                | 5,000       | —           | —           | —           | —           | —           | —           | —           | —           |
| Variation  | (65%)       | —           | —           | —           | —           | —           | —           | —           | —           |
| Level of S&P/TSX at which solvency ratio would be 100% (in points) <sup>4,5</sup>                              | 1,900       | 6,300       | 5,600       | 6,200       | —           | —           | —           | —           | —           |
| Variation  | (87%)       | (61%)       | (65%)       | (59%)       | —           | —           | —           | —           | —           |
| Impact on Solvency ratio (CARLI <sup>3</sup> ) <sup>1</sup> of a sudden change in equity markets <sup>6</sup>  |             |             |             |             |             |             |             |             |             |
| 30% increase   | (1%)        | —           | —           | 5%          | —           | —           | —           | —           | —           |
| 20% increase   | (1%)        | —           | —           | 4%          | —           | —           | —           | —           | —           |
| 10% increase   | (1%)        | —           | —           | 1%          | —           | —           | —           | —           | —           |
| 10% decrease   | —           | —           | —           | —           | —           | —           | —           | —           | —           |
| 20% decrease   | 1%          | —           | —           | (1%)        | —           | —           | —           | —           | —           |
| 30% decrease   | (2%)        | —           | —           | (4%)        | —           | —           | —           | —           | —           |
| Impact on net income to common shareholders of a sudden 10% decrease in equity markets (in \$M) <sup>7</sup>   |             |             |             |             |             |             |             |             |             |
| (30)   | (32)        | (32)        | (31)        | (32)        | (30)        | (29)        | (29)        | (28)        |             |
| <b>Interest Rate Sensitivity</b>   |             |             |             |             |             |             |             |             |             |
| Impact on net income (in \$M)  |             |             |             |             |             |             |             |             |             |
| 10 bps decrease in initial reinvestment rate (IRR)   | (10)        | (8)         | (11)        | (13)        | (18)        | (15)        | (23)        | (23)        | (24)        |
| 10 bps decrease in ultimate reinvestment rate (URR)  | (66)        | (67)        | (70)        | (70)        | (71)        | (61)        | (65)        | (62)        | (62)        |
| <b>Total</b>   | <b>(76)</b> | <b>(75)</b> | <b>(81)</b> | <b>(83)</b> | <b>(89)</b> | <b>(76)</b> | <b>(88)</b> | <b>(85)</b> | <b>(86)</b> |
| Impact on Solvency ratio (CARLI <sup>3</sup> ) <sup>1</sup> of a sudden change in interest rate <sup>8,9</sup> |             |             |             |             |             |             |             |             |             |
| 50 bps increase  | —           | —           | —           | 1%          | —           | —           | —           | —           | —           |
| 25 bps increase  | —           | —           | —           | —           | —           | —           | —           | —           | —           |
| 25 bps decrease  | —           | —           | —           | —           | —           | —           | —           | —           | —           |
| 50 bps decrease  | (1%)        | —           | —           | —           | —           | —           | —           | —           | —           |
| Impact on Solvency ratio (CARLI <sup>3</sup> ) <sup>1</sup> of a sudden change in credit spread <sup>8,9</sup> |             |             |             |             |             |             |             |             |             |
| 50 bps increase  | 3%          | —           | —           | —           | —           | —           | —           | —           | —           |
| 25 bps increase  | 1%          | —           | —           | —           | —           | —           | —           | —           | —           |
| 25 bps decrease  | (2%)        | —           | —           | —           | —           | —           | —           | —           | —           |
| 50 bps decrease  | (3%)        | —           | —           | —           | —           | —           | —           | —           | —           |

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

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

<sup>5</sup> In Q4-2018, the Company made an adjustment to the estimates used to establish income taxes payable in prior periods by decreasing the retained earnings as at January 1, 2017 by 58 \$.

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

<sup>7</sup> Impact on net income on a full-year basis.

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

<sup>9</sup> Credit spread variation represents an immediate parallel change in credit spreads across the entire yield curve, at quarter-end.

**SHARE INFORMATION**

| <i>(In millions of dollars, unless otherwise indicated)</i> | 2018     |          |          |          | 2017     |          |          |          | 2016     | 2018     | 2017     | 2016     |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
|   | Q4       | Q3       | Q2       | Q1       | Q4       | Q3       | Q2       | Q1       | Q4       | Annual   | Annual   | Annual   |
| <b>Common shares</b>  |          |          |          |          |          |          |          |          |          |          |          |          |
| Share price   |          |          |          |          |          |          |          |          |          |          |          |          |
| High  | \$52.20  | \$55.05  | \$55.03  | \$62.01  | \$61.73  | \$58.37  | \$58.68  | \$59.41  | \$58.05  | \$62.01  | \$61.73  | \$58.05  |
| Low   | \$41.32  | \$49.89  | \$48.67  | \$51.34  | \$55.90  | \$51.82  | \$48.74  | \$53.10  | \$46.84  | \$41.32  | \$48.74  | \$35.00  |
| Close   | \$43.57  | \$51.65  | \$50.75  | \$53.00  | \$59.82  | \$56.50  | \$56.26  | \$57.63  | \$53.39  | \$43.57  | \$59.82  | \$53.39  |
| Average share price   | \$46.77  | \$52.56  | \$52.52  | \$56.21  | \$59.04  | \$55.42  | \$54.01  | \$56.55  | \$53.44  | \$51.61  | \$55.98  | \$44.84  |
| Number of common shares outstanding (in millions)           |          |          |          |          |          |          |          |          |          |          |          |          |
| At beginning of period                                      | 109.7    | 109.6    | 109.6    | 106.8    | 106.6    | 106.5    | 106.4    | 106.2    | 102.9    | 106.8    | 106.2    | 102.4    |
| Common shares issued <sup>1</sup>                           | —        | 0.1      | —        | 2.8      | 0.2      | 0.1      | 0.1      | 0.2      | 3.3      | 2.9      | 0.6      | 3.8      |
| Common shares repurchased and cancelled                     | (1.1)    | —        | —        | —        | —        | —        | —        | —        | —        | (1.1)    | —        | —        |
| At end of period  | 108.6    | 109.7    | 109.6    | 109.6    | 106.8    | 106.6    | 106.5    | 106.4    | 106.2    | 108.6    | 106.8    | 106.2    |
| Weighted average number of common shares (in millions)      |          |          |          |          |          |          |          |          |          |          |          |          |
| Basic   | 109.4    | 109.6    | 109.6    | 107.5    | 106.6    | 106.5    | 106.4    | 106.2    | 103.5    | 109.0    | 106.5    | 102.8    |
| Diluted   | 109.8    | 110.2    | 110.2    | 108.2    | 107.5    | 107.3    | 107.2    | 107.2    | 104.5    | 109.6    | 107.3    | 103.4    |
| <b>Dividends</b>  |          |          |          |          |          |          |          |          |          |          |          |          |
| Common dividends paid                                       | 45.4     | 45.5     | 41.6     | 40.6     | 40.6     | 37.3     | 37.2     | 37.2     | 33.0     | 173.1    | 152.3    | 129.4    |
| Dividend paid per common share in the period                | \$0.4150 | \$0.4150 | \$0.3800 | \$0.3800 | \$0.3800 | \$0.3500 | \$0.3500 | \$0.3500 | \$0.3200 | \$1.5900 | \$1.4300 | \$1.2600 |
| Dividend payout ratio <sup>2</sup>                          | 30%      | 28%      | 26%      | 29%      | 30%      | 26%      | 29%      | 34%      | 21%      | 28%      | 30%      | 24%      |
| Dividend yield (annualized) <sup>3</sup>                    | 3.8%     | 3.2%     | 3.0%     | 2.9%     | 2.5%     | 2.5%     | 2.5%     | 2.4%     | 2.4%     | 3.6%     | 2.4%     | 2.4%     |
| <b>Stock options</b>  |          |          |          |          |          |          |          |          |          |          |          |          |
| Number of stock options outstanding (in millions)           |          |          |          |          |          |          |          |          |          |          |          |          |
| At beginning of period                                      | 2.9      | 2.9      | 3.0      | 2.7      | 2.9      | 3.0      | 3.1      | 2.8      | 3.3      | 2.7      | 2.8      | 3.3      |
| Options granted   | —        | —        | —        | 0.3      | —        | —        | —        | 0.5      | —        | 0.3      | 0.5      | 0.5      |
| Options exercised, cancelled or expired                     | —        | —        | (0.1)    | —        | (0.2)    | (0.1)    | (0.1)    | (0.2)    | (0.5)    | (0.1)    | (0.6)    | (1.0)    |
| At end of period  | 2.9      | 2.9      | 2.9      | 3.0      | 2.7      | 2.9      | 3.0      | 3.1      | 2.8      | 2.9      | 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)**

| <i>(In millions of dollars, unless otherwise indicated)</i>                       | 2018      |           |           |         | 2017      |           |           |           | 2016      | 2018      | 2017      | 2016      |
|---|-----------|-----------|-----------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|   | Q4        | Q3        | Q2        | Q1      | Q4        | Q3        | Q2        | Q1        | Q4        | Annual    | Annual    | Annual    |
| <b>Valuation</b>  |           |           |           |         |           |           |           |           |           |           |           |           |
| Price-to-earnings multiple (trailing 12 months) <sup>1</sup> (in number of times) | 7.8       | 9.5       | 9.6       | 10.5    | 12.5      | 11.3      | 11.2      | 11.3      | 10.3      | 7.8       | 12.5      | 10.3      |
| Market capitalization   | 4,730.6   | 5,663.5   | 5,562.7   | 5,807.2 | 6,386.2   | 6,020.3   | 5,992.8   | 6,129.4   | 5,670.3   | 4,730.6   | 6,386.2   | 5,670.3   |
| Book value per common share <sup>2,3</sup>  | \$47.40   | \$46.65   | \$45.85   | \$44.34 | \$43.65   | \$42.72   | \$41.72   | \$41.31   | \$40.97   | \$47.40   | \$43.65   | \$40.97   |
| Market value to book value ratio (in number of times) <sup>2,3</sup>              | 0.9       | 1.1       | 1.1       | 1.2     | 1.4       | 1.3       | 1.3       | 1.4       | 1.3       | 0.9       | 1.4       | 1.3       |
| Total payout ratio (trailing 12 months) <sup>4</sup>                              | 36%       | 28%       | 28%       | 29%     | 30%       | 27%       | 26%       | 25%       | 24%       | 36%       | 30%       | 24%       |
| Capital yield (trailing 12 months) <sup>5</sup>                                   | 4.7%      | 3.0%      | 2.9%      | 2.7%    | 2.4%      | 2.4%      | 2.3%      | 2.2%      | 2.3%      | 4.7%      | 2.4%      | 2.3%      |
| Total return on common shares (trailing 12 months) <sup>6</sup>                   | (24.5%)   | (5.8%)    | (7.1%)    | (5.5%)  | 14.7%     | 22.5%     | 41.8%     | 50.4%     | 23.8%     | (24.5%)   | 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     | 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    |
| Series I  | 6,000     | 6,000     | 6,000     | 6,000   | —         | —         | —         | —         | —         | 6,000     | —         | —         |
| Value of preferred shares   |           |           |           |         |           |           |           |           |           |           |           |           |
| Series B  | 125       | 125       | 125       | 125     | 125       | 125       | 125       | 125       | 125       | 125       | 125       | 125       |
| Series F  | —         | —         | —         | —       | —         | —         | —         | —         | —         | —         | —         | —         |
| Series G  | 250       | 250       | 250       | 250     | 250       | 250       | 250       | 250       | 250       | 250       | 250       | 250       |
| Series I  | 150       | 150       | 150       | 150     | —         | —         | —         | —         | —         | 150       | —         | —         |
| Dividends paid per preferred share  |           |           |           |         |           |           |           |           |           |           |           |           |
| Series B  | \$0.5750  | \$0.2875  | \$0.2875  | —       | \$0.2875  | \$0.2875  | \$0.2875  | \$0.2875  | \$0.2875  | \$1.1500  | \$1.1500  | \$1.1500  |
| Series F  | —         | —         | —         | —       | —         | —         | —         | —         | —         | —         | —         | —         |
| Series G  | \$0.47213 | \$0.23606 | \$0.23606 | —       | \$0.23606 | \$0.23606 | \$0.26875 | \$0.26875 | \$0.26875 | \$0.94425 | \$1.00963 | \$1.07500 |
| Series I  | \$0.6000  | \$0.3781  | —         | —       | —         | —         | —         | —         | —         | \$0.9781  | —         | —         |

<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> In Q3-2018, an adjustment was made retroactively to January 1, 2018, further to the application of IFRS-15.

<sup>3</sup> In Q4-2018, the Company made an adjustment to the estimates used to establish income taxes payable in prior periods by decreasing the retained earnings as at January 1, 2017 by 58 \$.

<sup>4</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>5</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>6</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.

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

|  | 2018    |         |         |         | 2017    |         |         |         | 2016      | 2018      | 2017     | 2016    |
|--|---------|---------|---------|---------|---------|---------|---------|---------|-----------|-----------|----------|---------|
|  | Q4      | Q3      | Q2      | Q1      | Q4      | Q3      | Q2      | Q1      | Q4        | Annual    | Annual   | Annual  |
| <i>(In millions of dollars, unless otherwise indicated)</i>  |         |         |         |         |         |         |         |         |           |           |          |         |
| <b>Revenues</b>  |         |         |         |         |         |         |         |         |           |           |          |         |
| Net premiums   | 1,976.8 | 1,836.0 | 1,850.0 | 2,186.5 | 1,810.1 | 1,684.5 | 1,818.4 | 1,940.8 | 1,673.9   | 7,849.3   | 7,253.8  | 6,547.5 |
| Investment income  |         |         |         |         |         |         |         |         |           |           |          |         |
| Investment income  | 391.0   | 314.4   | 329.0   | 326.9   | 340.1   | 287.9   | 292.3   | 300.2   | 314.4     | 1,361.3   | 1,220.5  | 1,135.1 |
| Variation in the market value of investment properties       | 10.0    | 3.6     | 31.7    | (2.5)   | (28.0)  | (0.8)   | (1.7)   | (9.2)   | (9.4)     | 42.8      | (39.7)   | (23.3)  |
| Realized gains (losses) on assets available for sale         | (33.7)  | 1.2     | 1.1     | 3.1     | 0.4     | (3.7)   | 6.4     | (2.0)   | (4.7)     | (28.3)    | 1.1      | (2.2)   |
| Change in fair value of financial assets designated at FVTPL | (186.7) | (608.0) | 128.5   | (372.1) | 1,145.8 | (711.1) | 671.3   | 314.4   | (1,594.5) | (1,038.3) | 1,420.4  | 501.4   |
| Change in provisions for losses                              | (10.3)  | (6.2)   | (5.4)   | (4.8)   | (7.3)   | (5.3)   | (3.8)   | (5.0)   | (5.0)     | (26.7)    | (21.4)   | (17.8)  |
| Total  | 170.3   | (295.0) | 484.9   | (49.4)  | 1,451.0 | (433.0) | 964.5   | 598.4   | (1,299.2) | 310.8     | 2,580.9  | 1,593.2 |
| Other revenues   | 440.3   | 439.2   | 437.8   | 435.0   | 419.1   | 371.3   | 333.2   | 317.8   | 309.4     | 1,752.3   | 1,441.4  | 1,206.2 |
| Total  | 2,587.4 | 1,980.2 | 2,772.7 | 2,572.1 | 3,680.2 | 1,622.8 | 3,116.1 | 2,857.0 | 684.1     | 9,912.4   | 11,276.1 | 9,346.9 |
| <b>Policy benefits and expenses</b>                          |         |         |         |         |         |         |         |         |           |           |          |         |
| Net benefits and claims on contracts                         | 1,191.9 | 1,196.1 | 1,201.2 | 1,280.8 | 1,134.2 | 1,064.4 | 1,113.3 | 1,188.6 | 1,130.7   | 4,870.0   | 4,500.5  | 4,186.5 |
| Net transfer to segregated funds                             | 221.5   | 113.9   | 170.6   | 315.1   | 168.0   | 192.5   | 279.4   | 380.8   | 88.9      | 821.1     | 1,020.7  | 743.8   |
| Increase (decrease) in insurance contract liabilities        | 261.3   | (346.2) | 350.8   | (49.9)  | 873.2   | (577.7) | 937.7   | 492.8   | (1,620.0) | 216.0     | 1,726.0  | 1,099.1 |
| Increase (decrease) in investment contract liabilities       | 8.2     | (2.5)   | 2.1     | 1.4     | 7.9     | (4.9)   | 4.6     | 6.4     | (11.4)    | 9.2       | 14.0     | 12.0    |
| Decrease (increase) in reinsurance assets                    | (31.9)  | 9.5     | 32.5    | 66.1    | 553.6   | 70.7    | (40.0)  | (4.5)   | 240.4     | 76.2      | 579.8    | 122.2   |
| Commissions  | 341.5   | 421.0   | 410.9   | 408.8   | 417.7   | 367.3   | 336.2   | 327.5   | 351.3     | 1,582.2   | 1,448.7  | 1,282.1 |
| General expenses   | 352.8   | 320.2   | 331.9   | 323.9   | 300.0   | 272.1   | 274.4   | 274.9   | 272.5     | 1,328.8   | 1,121.4  | 1,018.0 |
| Premium and other taxes                                      | 32.1    | 32.8    | 31.0    | 31.0    | 31.1    | 28.4    | 29.9    | 28.7    | 28.8      | 126.9     | 118.1    | 112.2   |
| Financing charges  | 14.5    | 15.4    | 16.5    | 16.6    | 16.4    | 15.5    | 15.8    | 16.3    | 19.9      | 63.0      | 64.0     | 76.9    |
| Total  | 2,391.9 | 1,760.2 | 2,547.5 | 2,393.8 | 3,502.1 | 1,428.3 | 2,951.3 | 2,711.5 | 501.1     | 9,093.4   | 10,593.2 | 8,652.8 |
| <b>Income before income taxes</b>                            | 195.5   | 220.0   | 225.2   | 178.3   | 178.1   | 194.5   | 164.8   | 145.5   | 183.0     | 819.0     | 682.9    | 694.1   |
| Income taxes   | 37.7    | 49.1    | 59.4    | 34.8    | 39.9    | 45.7    | 33.1    | 30.8    | 30.5      | 181.0     | 149.5    | 146.4   |
| <b>Net income</b>  | 157.8   | 170.9   | 165.8   | 143.5   | 138.2   | 148.8   | 131.7   | 114.7   | 152.5     | 638.0     | 533.4    | 547.7   |
| Net income attributed to participating policyholders         | 2.8     | 0.4     | 0.6     | 0.5     | 1.6     | 0.1     | —       | 0.3     | (6.7)     | 4.3       | 2.0      | (6.0)   |
| Net income attributed to shareholders                        | 155.0   | 170.5   | 165.2   | 143.0   | 136.6   | 148.7   | 131.7   | 114.4   | 159.2     | 633.7     | 531.4    | 553.7   |
| Dividends attributed to preferred shares                     | 5.5     | 5.6     | 6.1     | 3.8     | 3.8     | 3.8     | 4.2     | 4.1     | 4.2       | 21.0      | 15.9     | 16.5    |
| Redemption premium on preferred shares                       | —       | —       | —       | —       | —       | —       | —       | —       | —         | —         | —        | —       |
| Net income attributed to common shareholders                 | 149.5   | 164.9   | 159.1   | 139.2   | 132.8   | 144.9   | 127.5   | 110.3   | 155.0     | 612.7     | 515.5    | 537.2   |



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

| <i>(In millions of dollars, unless otherwise indicated)</i>                | 2018         |              |              |              | 2017         |              |             |              | 2016         | 2018         | 2017         | 2016         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|
|  | Q4           | Q3           | Q2           | Q1           | Q4           | Q3           | Q2          | Q1           | Q4           | Annual       | Annual       | Annual       |
| <b>Comprehensive income statements</b>                                     |              |              |              |              |              |              |             |              |              |              |              |              |
| Net income   | 157.8        | 170.9        | 165.8        | 143.5        | 138.2        | 148.8        | 131.7       | 114.7        | 152.5        | 638.0        | 533.4        | 547.7        |
| <b>Other comprehensive income (loss), net of income taxes</b>              |              |              |              |              |              |              |             |              |              |              |              |              |
| <b>Items that may be reclassified subsequently to net income</b>           |              |              |              |              |              |              |             |              |              |              |              |              |
| <b>Available for sale</b>  |              |              |              |              |              |              |             |              |              |              |              |              |
| Unrealized gains (losses) arising during the period                        |              |              |              |              |              |              |             |              |              |              |              |              |
| Bonds  | 17.0         | (27.9)       | (7.1)        | (13.0)       | 13.6         | (35.4)       | (1.4)       | 22.9         | (56.1)       | (31.0)       | (0.3)        | (10.3)       |
| Stocks   | (27.1)       | 1.4          | (1.7)        | (2.0)        | 4.5          | 3.1          | (2.4)       | 18.2         | 10.3         | (29.4)       | 23.4         | 5.4          |
| Reclassification of losses (gains) included in net income                  |              |              |              |              |              |              |             |              |              |              |              |              |
| Bonds  | 13.9         | (0.8)        | (0.1)        | (4.0)        | (0.1)        | 2.2          | (5.1)       | 1.2          | 2.6          | 9.0          | (1.8)        | (3.0)        |
| Stocks   | 11.1         | (0.2)        | (0.7)        | 1.7          | (0.5)        | 0.1          | 0.9         | 0.2          | 0.8          | 11.9         | 0.7          | 4.6          |
| Change in unrealized gains (losses) on available for sale financial assets | 14.9         | (27.5)       | (9.6)        | (17.3)       | 17.5         | (30.0)       | (8.0)       | 42.5         | (42.4)       | (39.5)       | 22.0         | (3.3)        |
| <b>Cash-flow hedge</b>   | (0.5)        | (0.3)        | (0.1)        | (0.9)        | 3.3          | (2.0)        | 0.6         | —            | —            | (1.8)        | 1.9          | (0.1)        |
| <b>Currency translation account</b>  |              |              |              |              |              |              |             |              |              |              |              |              |
| Unrealized gains (losses) on currency translation in foreign operations    | 56.6         | (16.9)       | 18.9         | 27.0         | 0.6          | (23.5)       | (17.5)      | (4.0)        | 13.6         | 85.6         | (44.4)       | (13.9)       |
| Hedges of net investment in foreign operations                             | (47.2)       | 14.3         | (16.8)       | (21.0)       | 0.1          | 20.9         | 5.5         | 2.8          | (10.2)       | (70.7)       | 29.3         | (0.7)        |
| <b>Items that will not be reclassified subsequently to net income</b>      |              |              |              |              |              |              |             |              |              |              |              |              |
| Remeasurement of post-employment benefits                                  | (50.6)       | 2.4          | 52.9         | (14.3)       | (14.0)       | 36.1         | (28.7)      | (21.5)       | 124.2        | (9.6)        | (28.1)       | 11.9         |
| Total other comprehensive income (loss)                                    | (26.8)       | (28.0)       | 45.3         | (26.5)       | 7.5          | 1.5          | (48.1)      | 19.8         | 85.2         | (36.0)       | (19.3)       | (6.1)        |
| <b>Comprehensive income</b>  | <b>131.0</b> | <b>142.9</b> | <b>211.1</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>602.0</b> | <b>514.1</b> | <b>541.6</b> |
| <b>Comprehensive income attributed to shareholders</b>                     | 128.2        | 142.5        | 210.5        | 116.5        | 144.1        | 150.2        | 83.6        | 134.2        | 244.4        | 597.7        | 512.1        | 547.6        |
| <b>Comprehensive income attributed to participating policyholders</b>      | 2.8          | 0.4          | 0.6          | 0.5          | 1.6          | 0.1          | —           | 0.3          | (6.7)        | 4.3          | 2.0          | (6.0)        |

**DETAIL OF ACCUMULATED OTHER COMPREHENSIVE INCOME**

| <i>(In millions of dollars, unless otherwise indicated)</i>     | 2018   |        |        |        | 2017 |        |        |       | 2016    | 2018   | 2017   | 2016   |
|---|--------|--------|--------|--------|------|--------|--------|-------|---------|--------|--------|--------|
|   | Q4     | Q3     | Q2     | Q1     | Q4   | Q3     | Q2     | Q1    | Q4      | Annual | Annual | Annual |
| <b>Accumulated other comprehensive income (loss)</b>            |        |        |        |        |      |        |        |       |         |        |        |        |
| Balance at beginning of period                                  | (1.3)  | 29.1   | 36.7   | 48.9   | 27.4 | 62.0   | 81.4   | 40.1  | 79.1    | 48.9   | 40.1   | 58.1   |
| Transfer of post-employment benefits to retained earnings       | 50.6   | (2.4)  | (52.9) | 14.3   | 14.0 | (36.1) | 28.7   | 21.5  | (124.2) | 9.6    | 28.1   | (11.9) |
| Total other comprehensive income                                | (26.8) | (28.0) | 45.3   | (26.5) | 7.5  | 1.5    | (48.1) | 19.8  | 85.2    | (36.0) | (19.3) | (6.1)  |
| Balance at end of period  | 22.5   | (1.3)  | 29.1   | 36.7   | 48.9 | 27.4   | 62.0   | 81.4  | 40.1    | 22.5   | 48.9   | 40.1   |
| <b>Sources of accumulated other comprehensive income (loss)</b> |        |        |        |        |      |        |        |       |         |        |        |        |
| Bonds   | 5.7    | (25.2) | 3.5    | 10.7   | 27.7 | 14.2   | 47.4   | 53.9  | 29.8    | 5.7    | 27.7   | 29.8   |
| Stocks  | (10.5) | 5.5    | 4.3    | 6.7    | 7.0  | 3.0    | (0.2)  | 1.3   | (17.1)  | (10.5) | 7.0    | (17.1) |
| Cash-flow hedge   | —      | 0.5    | 0.8    | 0.9    | 1.8  | (1.5)  | 0.5    | (0.1) | (0.1)   | —      | 1.8    | (0.1)  |
| Currency translation account                                    | 27.3   | 17.9   | 20.5   | 18.4   | 12.4 | 11.7   | 14.3   | 26.3  | 27.5    | 27.3   | 12.4   | 27.5   |
| Total   | 22.5   | (1.3)  | 29.1   | 36.7   | 48.9 | 27.4   | 62.0   | 81.4  | 40.1    | 22.5   | 48.9   | 40.1   |

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

|   | 2018            |                 |                 |                 | 2017            |                 |                 |                 | 2016            |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|   | Q4              | Q3              | Q2              | Q1              | Q4              | Q3              | Q2              | Q1              | Q4              |
| <i>(In millions of dollars, unless otherwise indicated)</i> |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Assets</b>   |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Invested assets</b>                                      |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Cash and short-term investments                             | 1,045.6         | 1,185.8         | 846.9           | 912.9           | 1,140.7         | 1,236.7         | 965.0           | 825.0           | 911.9           |
| Bonds   | 23,592.3        | 23,064.3        | 24,314.1        | 23,514.4        | 22,944.1        | 21,935.5        | 22,338.0        | 21,604.9        | 21,086.8        |
| Stocks  | 3,054.8         | 3,319.3         | 3,363.0         | 3,378.9         | 3,467.0         | 3,271.0         | 3,278.5         | 3,139.9         | 3,083.0         |
| Mortgages and other loans                                   | 3,661.3         | 3,456.5         | 3,324.5         | 3,304.8         | 3,288.1         | 3,255.2         | 3,277.3         | 3,311.5         | 3,292.3         |
| Derivative financial instruments                            | 224.9           | 295.4           | 360.9           | 305.1           | 395.0           | 233.3           | 308.8           | 248.5           | 262.5           |
| Policy loans  | 950.6           | 934.2           | 923.7           | 923.9           | 946.2           | 926.0           | 961.3           | 954.4           | 945.9           |
| Other invested assets <sup>1</sup>                          | 328.9           | 322.5           | 315.5           | 309.4           | 300.0           | 282.6           | 277.7           | 273.0           | 270.7           |
| Investment properties                                       | 1,720.5         | 1,416.0         | 1,356.8         | 1,343.0         | 1,340.8         | 1,228.2         | 1,249.8         | 1,236.0         | 1,237.8         |
| <b>Total investments</b>                                    | <b>34,578.9</b> | <b>33,994.0</b> | <b>34,805.4</b> | <b>33,992.4</b> | <b>33,821.9</b> | <b>32,368.5</b> | <b>32,656.4</b> | <b>31,593.2</b> | <b>31,090.9</b> |
| <b>Other assets<sup>1,2</sup></b>                           | <b>2,172.2</b>  | <b>2,215.2</b>  | <b>2,258.9</b>  | <b>2,336.0</b>  | <b>1,903.0</b>  | <b>2,173.9</b>  | <b>1,940.5</b>  | <b>2,408.1</b>  | <b>1,818.5</b>  |
| <b>Reinsurance assets</b>                                   | <b>1,000.8</b>  | <b>887.0</b>    | <b>898.9</b>    | <b>885.6</b>    | <b>481.5</b>    | <b>1,037.0</b>  | <b>1,137.7</b>  | <b>1,121.3</b>  | <b>1,121.9</b>  |
| <b>Fixed assets</b>   | <b>277.5</b>    | <b>271.5</b>    | <b>270.0</b>    | <b>265.8</b>    | <b>256.5</b>    | <b>253.9</b>    | <b>241.3</b>    | <b>202.0</b>    | <b>194.7</b>    |
| <b>Deferred income tax assets</b>                           | <b>26.0</b>     | <b>26.2</b>     | <b>26.3</b>     | <b>28.0</b>     | <b>21.9</b>     | <b>22.1</b>     | <b>27.8</b>     | <b>26.6</b>     | <b>25.7</b>     |
| <b>Intangible assets</b>                                    | <b>1,071.4</b>  | <b>1,053.4</b>  | <b>1,039.9</b>  | <b>994.9</b>    | <b>827.1</b>    | <b>798.0</b>    | <b>681.2</b>    | <b>665.3</b>    | <b>659.4</b>    |
| <b>Goodwill</b>   | <b>632.7</b>    | <b>620.2</b>    | <b>620.6</b>    | <b>630.3</b>    | <b>477.5</b>    | <b>492.8</b>    | <b>316.9</b>    | <b>313.1</b>    | <b>312.7</b>    |
| <b>General fund assets</b>                                  | <b>39,759.5</b> | <b>39,067.5</b> | <b>39,920.0</b> | <b>39,133.0</b> | <b>37,789.4</b> | <b>37,146.2</b> | <b>37,001.8</b> | <b>36,329.6</b> | <b>35,223.8</b> |
| <b>Segregated funds net assets</b>                          | <b>23,780.6</b> | <b>25,033.6</b> | <b>24,887.6</b> | <b>24,100.1</b> | <b>24,117.0</b> | <b>23,207.1</b> | <b>22,942.0</b> | <b>22,664.1</b> | <b>21,825.8</b> |
| <b>Total assets</b>   | <b>63,540.1</b> | <b>64,101.1</b> | <b>64,807.6</b> | <b>63,233.1</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> |

<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.

<sup>2</sup> In Q3-2018, an adjustment was made retroactively to January 1, 2018, further to the application of IFRS-15.

**FINANCIAL POSITION (continued)**

| <i>(In millions of dollars, unless otherwise indicated)</i>             | 2018            |                 |                 |                 | 2017            |                 |                 |                 | 2016            |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|   | Q4              | Q3              | Q2              | Q1              | Q4              | Q3              | Q2              | Q1              | Q4              |
| <b>Liabilities</b>  |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>Insurance contract liabilities</b>                                   |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Provisions for future policy benefits                                   | 25,306.4        | 24,965.9        | 25,334.9        | 24,955.4        | 24,963.6        | 24,090.1        | 24,722.3        | 23,828.1        | 23,346.2        |
| Provisions for dividends to policyholders and experience rating refunds | 40.2            | 45.0            | 47.2            | 41.4            | 34.0            | 32.7            | 31.8            | 30.1            | 32.8            |
| Benefits payable and provision for unreported claims                    | 260.3           | 289.8           | 282.9           | 278.3           | 261.8           | 247.2           | 250.9           | 266.5           | 220.7           |
| Policyholders' amounts on deposit                                       | 332.9           | 310.3           | 304.7           | 300.9           | 304.1           | 308.1           | 297.7           | 305.7           | 299.0           |
| <b>Total</b>  | <b>25,939.8</b> | <b>25,611.0</b> | <b>25,969.7</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>Investment contract liabilities</b>                                  | 630.1           | 615.8           | 615.2           | 607.9           | 587.0           | 580.1           | 588.2           | 616.1           | 605.8           |
| <b>Derivative financial instruments</b>                                 | 429.2           | 278.0           | 265.5           | 250.9           | 195.0           | 329.1           | 231.4           | 284.7           | 333.2           |
| <b>Other liabilities</b>  |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Mortgage debt on investment properties                                  | —               | —               | —               | —               | —               | —               | —               | —               | —               |
| Other <sup>1</sup>  | 5,875.1         | 5,668.3         | 6,172.5         | 6,006.9         | 5,152.0         | 5,378.9         | 4,840.5         | 5,007.0         | 4,452.8         |
| <b>Total</b>  | <b>5,875.1</b>  | <b>5,668.3</b>  | <b>6,172.5</b>  | <b>6,006.9</b>  | <b>5,152.0</b>  | <b>5,378.9</b>  | <b>4,840.5</b>  | <b>5,007.0</b>  | <b>4,452.8</b>  |
| <b>Deferred income tax liabilities<sup>2</sup></b>                      | 265.8           | 308.0           | 304.4           | 264.5           | 217.5           | 215.1           | 185.9           | 186.1           | 173.4           |
| <b>Debentures</b>   | 901.4           | 901.0           | 1,000.8         | 1,000.4         | 996.3           | 996.1           | 995.8           | 995.6           | 995.3           |
| <b>General fund liabilities</b>   | 34,041.4        | 33,382.1        | 34,328.1        | 33,706.6        | 32,711.3        | 32,177.4        | 32,144.5        | 31,519.9        | 30,459.2        |
| <b>Segregated funds liabilities</b>                                     | 23,780.6        | 25,033.6        | 24,887.6        | 24,100.1        | 24,117.0        | 23,207.1        | 22,942.0        | 22,664.1        | 21,825.8        |
| <b>Equity</b>   |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Participating policyholders' accounts                                   | 45.3            | 42.5            | 42.1            | 41.5            | 41.0            | 39.4            | 39.3            | 39.3            | 39.0            |
| <b>Share capital</b>  |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Common shares   | 1,655.5         | 1,671.6         | 1,669.9         | 1,668.0         | 1,520.9         | 1,512.9         | 1,511.4         | 1,505.5         | 1,498.8         |
| Preferred shares  | 525.0           | 525.0           | 525.0           | 525.0           | 375.0           | 375.0           | 375.0           | 375.0           | 375.0           |
| <b>Total</b>  | <b>2,180.5</b>  | <b>2,196.6</b>  | <b>2,194.9</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>  |
| Contributed surplus   | 22.8            | 21.5            | 20.9            | 20.2            | 19.5            | 19.7            | 18.7            | 18.5            | 18.5            |
| Retained earnings <sup>1,2</sup>  | 3,447.0         | 3,426.1         | 3,304.9         | 3,135.0         | 3,072.8         | 2,994.4         | 2,850.9         | 2,790.0         | 2,793.2         |
| <b>Accumulated other comprehensive income</b>                           | 22.5            | (1.3)           | 29.1            | 36.7            | 48.9            | 27.4            | 62.0            | 81.4            | 40.1            |
| <b>Total shareholders' equity</b>                                       | <b>5,672.8</b>  | <b>5,642.9</b>  | <b>5,549.8</b>  | <b>5,384.9</b>  | <b>5,037.1</b>  | <b>4,929.4</b>  | <b>4,818.0</b>  | <b>4,770.4</b>  | <b>4,725.6</b>  |
| <b>Total equity</b>   | <b>5,718.1</b>  | <b>5,685.4</b>  | <b>5,591.9</b>  | <b>5,426.4</b>  | <b>5,078.1</b>  | <b>4,968.8</b>  | <b>4,857.3</b>  | <b>4,809.7</b>  | <b>4,764.6</b>  |
| <b>Total liabilities and equity</b>                                     | <b>63,540.1</b> | <b>64,101.1</b> | <b>64,807.6</b> | <b>63,233.1</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> |

<sup>1</sup> In Q4-2018, the Company made an adjustment to the estimates used to establish income taxes payable in prior periods by decreasing the retained earnings as at January 1, 2017 by 58 \$.

<sup>2</sup> In Q3-2018, an adjustment have been made retroactively to January 1, 2018 following the application of IFRS 15.

## 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 related to service contracts (such as Administrative Services Only (ASO) contracts) or related to services where the Company is primarily an administrator but could become an insurer if a specific event were to happen. These amounts are not accounted for in the "Net premiums".

**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 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.