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**Financial Information Package (unaudited)
iA Financial Corporation Inc.**

For the First Quarter of 2021

At March 31, 2021



GENERAL INFORMATION

iA Financial Group is one of the largest insurance and wealth management groups in Canada, with operations in the United States. Founded in 1892, it is an important Canadian public company and is listed on the Toronto Stock Exchange under the ticker symbols IAG (common shares) and IAF (preferred shares). iA Financial Group serves over four million clients, employs more than 8,000 people and is backed by a network of some 25,000 advisors.

iA Financial Corporation Inc. (“iA Financial Corporation” or the “Company”) became the parent company of Industrial Alliance Insurance and Financial Services Inc. (“iA Insurance”) as of January 1, 2019, pursuant to a plan of arrangement. Under the terms of the arrangement, iA Financial Corporation is a “successor issuer”. Certain information related to the operations of iA Insurance is presented separately in this document.

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Stock Exchange Listing

The common shares of iA Financial Corporation Inc. are listed on the Toronto Stock Exchange under the stock symbol IAG.

The preferred shares of Industrial Alliance Insurance and Financial Services Inc. are listed on the Toronto Stock Exchange under the stock symbol IAF.

Dividend Reinvestment and Share Purchase Plan

Computershare Trust Company of Canada
Telephone: 514-982-7555
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Credit Ratings

iA Financial Corporation Inc.
Issuer credit rating
S&P: A
DBRS: A

Industrial Alliance Insurance and Financial Services Inc.
Financial strength rating
S&P: AA-
DBRS: AA (low)
A.M. Best: A+ (Superior)

Shareholder Services

For questions regarding share accounts, dividends, changes of address and 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

Investor Relations

For analysts, portfolio managers and investors requesting financial information, contact our Investor Relations Department:
Telephone: 418-684-5000, ext. 105862
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Next Reporting Dates

2021 Second quarter - July 29, 2021
2021 Third quarter - November 2, 2021
2021 Fourth quarter - February 17, 2022

General information

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

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Basis of Presentation

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

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

Non-IFRS Financial Information

iA Financial Corporation 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 iA Financial Corporation 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, impact of new business (strain), changes in assumptions, management actions and income on capital), capital, solvency ratio, interest rate and equity market sensitivities, loan originations, finance receivables and average credit loss rate on car loans.

HIGHLIGHTS

<i>(In millions of dollars, unless otherwise indicated)</i>	Three months ended March 31			Twelve months ended December 31
	2021	2020	Variation	2020
PROFITABILITY				
Net income attributed to shareholders	178.6	44.7	300%	633.5
Dividends on preferred shares issued by a subsidiary	5.7	5.6	2%	22.3
Net income attributed to common shareholders	<u>172.9</u>	<u>39.1</u>	<u>342%</u>	<u>611.2</u>
Earnings per common share				
Basic	\$1.61	\$0.37	\$1.24	\$5.71
Diluted	\$1.61	\$0.36	\$1.25	\$5.70
Diluted, core ¹	\$1.79	\$1.49	\$0.30	\$7.12
Return on common shareholders' equity ¹				
Quarter annualized	11.5%	2.8%	870 bps	—
Trailing 12 months	12.7%	10.7%	200 bps	—
Trailing 12 months, core	13.6%	13.3%	30 bps	—
BUSINESS GROWTH				
Sales by line of business ¹				
Individual Insurance	58.1	45.2	29%	223.2
Individual Wealth Management	2,547.5	1,771.0	44%	6,417.7
Group Insurance	365.1	357.0	2%	1,313.2
Employee Plans	87.1	57.1	53%	136.2
Dealer Services - Creditor Insurance	43.0	58.9	(27%)	260.7
Dealer Services - P&C	64.5	62.0	4%	270.5
Non-Prime Loan originations	123.7	103.2	20%	440.4
Special Markets	46.8	75.8	(38%)	205.4
Group Savings and Retirement	693.3	658.9	5%	3,082.9
US Operations (\$CAN)				
Individual Insurance	39.5	39.4	—	170.5
Dealer Services - P&C	295.0	157.4	87%	963.5
General Insurance ²	84.1	73.9	14%	395.0
Net premiums, premium equivalent and deposits by line of business				
Individual Insurance	418.7	397.5	5%	1,624.8
Individual Wealth Management	2,547.5	1,771.0	44%	6,417.7
Group Insurance	429.7	461.3	(7%)	1,743.5
Group Savings and Retirement	686.8	652.0	5%	3,056.2
US Operations				
Individual Insurance	119.2	113.5	5%	461.6
Dealer Services - P&C	127.2	65.4	94%	434.5
General Insurance ²	92.5	84.5	9%	340.2
Total	<u>4,421.6</u>	<u>3,545.2</u>	<u>25%</u>	<u>14,078.5</u>
Assets under management and administration	<u>201,266.2</u>	<u>175,726.9</u>	<u>15%</u>	<u>197,486.0</u>

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

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

HIGHLIGHTS (continued)

<i>(In millions of dollars, unless otherwise indicated)</i>	March 31, 2021	December 31, 2020	March 31, 2020
QUALITY OF INVESTMENTS			
Impaired investments and provisions (excluding insured loans)			
Net impaired investments	17.5	31.1	2.7
Net impaired investments as a % of investment portfolio	0.04%	0.07%	0.01%
Provisions for impaired investments (specific)	5.6	14.1	2.8
As a % of gross impaired investments	24.2%	31.2%	50.9%
Bonds			
Rated BB and lower	1.01%	0.99%	0.75%
Mortgages			
Delinquency rate	—	—	0.06%
Occupancy rate on investment properties	95.0%	95.0%	95.0%
SOLVENCY RATIO CARLI¹	128%	130%	137%
BOOK VALUE PER OUTSTANDING COMMON SHARE	\$56.95	\$55.52	\$52.29

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

PROFITABILITY											
<i>(In millions of dollars, unless otherwise indicated)</i>	2021	2020				2019				2020	2019
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual
Net income											
Net income	173.9	172.4	219.0	194.9	46.0	165.8	189.1	187.0	157.5	632.3	699.4
Net income attributed to participating policyholders	(4.7)	(5.2)	(4.0)	6.7	1.3	(10.7)	—	(0.1)	0.7	(1.2)	(10.1)
Net income attributed to shareholders	178.6	177.6	223.0	188.2	44.7	176.5	189.1	187.1	156.8	633.5	709.5
Dividends on preferred shares issued by a subsidiary	5.7	5.7	5.5	5.5	5.6	5.3	5.4	5.7	5.7	22.3	22.1
Net income attributed to common shareholders	<u>172.9</u>	<u>171.9</u>	<u>217.5</u>	<u>182.7</u>	<u>39.1</u>	<u>171.2</u>	<u>183.7</u>	<u>181.4</u>	<u>151.1</u>	<u>611.2</u>	<u>687.4</u>
Earnings per common share											
Basic	\$1.61	\$1.61	\$2.03	\$1.71	\$0.37	\$1.60	\$1.73	\$1.70	\$1.41	\$5.71	\$6.43
Diluted	\$1.61	\$1.60	\$2.03	\$1.71	\$0.36	\$1.59	\$1.72	\$1.69	\$1.40	\$5.70	\$6.40
Diluted, core ¹	\$1.79	\$1.73	\$2.19	\$1.71	\$1.49	\$1.68	\$1.82	\$1.72	\$1.33	\$7.12	\$6.55
Return on common shareholders' equity^{1,2}											
Quarter annualized	11.5%	11.7%	15.1%	13.0%	2.8%	12.5%	13.8%	13.8%	11.7%	—	—
Trailing 12 months	12.7%	10.6%	10.9%	10.5%	10.7%	12.9%	12.7%	12.6%	12.4%	—	—
Trailing 12 months, core	13.6%	13.3%	13.5%	13.1%	13.3%	13.1%	N/A	N/A	N/A	—	—
Net income attributed to common shareholders by line of business											
Individual Insurance	81.1	96.8	106.6	96.4	34.8	92.7	94.3	92.7	79.8	334.6	359.5
Individual Wealth Management	50.5	36.3	72.2	36.7	(24.2)	41.9	52.0	44.0	34.4	121.0	172.3
Group Insurance	13.5	9.9	14.4	29.4	7.2	8.9	17.9	21.5	17.3	60.9	65.6
Group Savings and Retirement	7.7	10.7	3.1	11.8	8.0	9.6	7.9	7.4	7.1	33.6	32.0
US Operations	20.1	18.2	21.2	8.4	13.3	18.1	11.6	15.8	12.5	61.1	58.0
Total	<u>172.9</u>	<u>171.9</u>	<u>217.5</u>	<u>182.7</u>	<u>39.1</u>	<u>171.2</u>	<u>183.7</u>	<u>181.4</u>	<u>151.1</u>	<u>611.2</u>	<u>687.4</u>

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

² In Q4-2019, an adjustment has been made retroactively to January 1, 2018 transferring \$7 from retained earnings to the participating policyholders' accounts.

SOURCES OF EARNINGS - CORE - CONSOLIDATED

<i>(In millions of dollars, unless otherwise indicated)</i>	2021	2020				2019				2020	2019
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual
Core operating profit (loss) ¹											
Expected profit on in-force	216.5	224.3	237.4	190.1	194.0	196.4	210.5	198.0	178.1	845.8	783.0
Experience gain (loss)	1.3	(21.6)	5.2	12.7	(26.7)	(5.4)	(5.1)	9.6	(5.6)	(30.4)	(6.5)
Impact of new business (strain)	(4.7)	(5.7)	(1.7)	(9.6)	(10.5)	0.3	(2.3)	(1.3)	(6.1)	(27.5)	(9.4)
Changes in assumptions and management actions	—	—	—	—	—	—	—	—	—	—	—
Total	213.1	197.0	240.9	193.2	156.8	191.3	203.1	206.3	166.4	787.9	767.1
Core income on capital ¹	51.8	43.9	48.0	41.7	45.4	44.2	49.4	41.8	31.9	179.0	167.3
Core income (loss) before income taxes ¹	264.9	240.9	288.9	234.9	202.2	235.5	252.5	248.1	198.3	966.9	934.4
Core income taxes ¹	(67.0)	(49.7)	(50.0)	(46.7)	(34.6)	(50.7)	(52.8)	(59.8)	(48.0)	(181.0)	(211.3)
Core net income (loss) attributed to shareholders ¹	197.9	191.2	238.9	188.2	167.6	184.8	199.7	188.3	150.3	785.9	723.1
Dividends on preferred shares issued by a subsidiary	5.7	5.7	5.5	5.5	5.6	5.3	5.4	5.7	5.7	22.3	22.1
Core net income (loss) attributed to common shareholders ¹	192.2	185.5	233.4	182.7	162.0	179.5	194.3	182.6	144.6	763.6	701.0

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

SOURCES OF EARNINGS - CONSOLIDATED

	2021		2020			2019				2020	2019
<i>(In millions of dollars, unless otherwise indicated)</i>	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual
Operating profit (loss) ¹											
Expected profit on in-force ²	204.7	213.2	224.6	176.9	186.2	192.8	206.9	194.4	174.5	800.9	768.6
Experience gain (loss)	6.2	(23.1)	26.3	42.6	(142.9)	(11.3)	5.0	15.6	16.2	(97.1)	25.5
Impact of new business (strain)	(4.7)	(5.7)	(1.7)	(9.6)	(10.5)	0.3	(2.3)	(1.3)	(6.1)	(27.5)	(9.4)
Changes in assumptions and management actions ³	—	5.6	—	—	(24.0)	2.9	(8.5)	—	—	(18.4)	(5.6)
Total	206.2	190.0	249.2	209.9	8.8	184.7	201.1	208.7	184.6	657.9	779.1
Income on capital ¹	33.4	21.2	19.3	30.8	34.3	27.0	40.1	32.4	22.6	105.6	122.1
Income (loss) before income taxes ¹	239.6	211.2	268.5	240.7	43.1	211.7	241.2	241.1	207.2	763.5	901.2
Income taxes ¹	(61.0)	(33.6)	(45.5)	(52.5)	1.6	(35.2)	(52.1)	(54.0)	(50.4)	(130.0)	(191.7)
Net income (loss) attributed to shareholders	178.6	177.6	223.0	188.2	44.7	176.5	189.1	187.1	156.8	633.5	709.5
Dividends on preferred shares issued by a subsidiary	5.7	5.7	5.5	5.5	5.6	5.3	5.4	5.7	5.7	22.3	22.1
Net income (loss) attributed to common shareholders	172.9	171.9	217.5	182.7	39.1	171.2	183.7	181.4	151.1	611.2	687.4
Core earnings adjustments (post tax) ¹											
Market-related impacts that differ from management's best estimate assumptions ⁴	(4.4)	(9.7)	(13.2)	(11.1)	85.6	(14.2)	(7.4)	(4.1)	(16.0)	51.6	(41.7)
Assumption changes and management actions	—	(3.9)	—	—	—	(2.3)	—	—	—	(3.9)	(2.3)
Gains or losses on acquisition or disposition of a business, including acquisition, integration and restructuring costs	3.5	6.2	(4.3)	(1.7)	0.5	—	(13.6)	—	—	0.7	(13.6)
Amortization of acquisition-related finite life intangible assets	13.5	12.9	16.7	7.7	7.7	6.7	6.7	6.7	6.7	45.0	26.8
Non-core pension expense	6.7	5.1	5.1	5.1	5.1	2.9	2.8	2.9	2.8	20.4	11.4
Other specified unusual gains and losses	—	3.0	11.6	—	24.0	15.2	22.1	(4.3)	—	38.6	33.0
Total	19.3	13.6	15.9	—	122.9	8.3	10.6	1.2	(6.5)	152.4	13.6
Core earnings¹	192.2	185.5	233.4	182.7	162.0	179.5	194.3	182.6	144.6	763.6	701.0
Core earnings adjustments (before taxes, where applicable) ¹											
Market-related impacts that differ from management's best estimate assumptions ⁴	(6.0)	(13.2)	(18.0)	(15.1)	116.9	(19.5)	(10.1)	(6.0)	(21.8)	70.6	(58.7)
Assumption changes and management actions	—	(5.6)	—	—	—	(2.9)	—	—	—	(5.6)	(2.7)
Charges or proceeds related to acquisition or disposition of a business, including acquisition, integration and restructuring costs	4.4	8.0	(6.1)	(8.0)	0.7	—	(13.6)	—	—	(5.4)	(13.6)
Amortization of acquisition-related finite life intangible assets	17.8	17.0	21.8	10.4	10.6	9.1	9.0	9.1	9.0	59.8	36.2
Non-core pension expense	9.1	6.9	6.9	6.9	6.9	3.9	3.9	3.9	3.9	27.6	15.6
Other specified unusual gains and losses	—	7.6	15.8	—	24.0	24.2	22.1	(4.3)	—	47.4	42.0
Total	25.3	20.7	20.4	(5.8)	159.1	14.8	11.3	2.7	(8.9)	194.4	18.8

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

² Q2-2020 figure includes acquisition and integration costs.

³ Q3-2019 and Q1-2020 figures include PPI contingent consideration settlement and goodwill impairment.

⁴ See details by line of business on the following pages.

Note: The figures do not always add up exactly due to rounding differences.

SOURCES OF EARNINGS BY LINE OF BUSINESS - INDIVIDUAL INSURANCE

	2021		2020			2019				2020	2019
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual
<i>(In millions of dollars, unless otherwise indicated)</i>											
Operating profit (loss) ¹											
Expected profit on in-force	92.3	92.1	94.0	90.0	85.6	88.8	91.1	86.9	84.1	361.7	350.9
Experience gain (loss)	(3.7)	15.2	17.7	19.7	(42.5)	(6.3)	7.8	8.9	8.9	10.1	19.3
Impact of new business (strain)	0.3	(2.2)	1.2	(7.7)	(7.4)	2.5	0.6	(0.1)	(3.0)	(16.1)	—
Changes in assumptions and management actions ²	—	4.4	—	—	(24.0)	2.4	(8.5)	—	—	(19.6)	(6.1)
Total	88.9	109.5	112.9	102.0	11.7	87.4	91.0	95.7	90.0	336.1	364.1
Income on capital ¹	27.9	17.9	18.3	20.8	25.0	19.8	28.6	25.1	19.1	82.0	92.6
Income (loss) before income taxes ¹	116.8	127.4	131.2	122.8	36.7	107.2	119.6	120.8	109.1	418.1	456.7
Income taxes ¹	(31.8)	(26.6)	(20.7)	(22.3)	2.5	(10.2)	(20.9)	(23.6)	(24.8)	(67.1)	(79.5)
Net income (loss) attributed to shareholders	85.0	100.8	110.5	100.5	39.2	97.0	98.7	97.2	84.3	351.0	377.2
Dividends on preferred shares issued by a subsidiary	3.9	4.0	3.9	4.1	4.4	4.3	4.4	4.5	4.5	16.4	17.7
Net income (loss) attributed to common shareholders	81.1	96.8	106.6	96.4	34.8	92.7	94.3	92.7	79.8	334.6	359.5
Core earnings adjustments (post tax) ¹											
Market-related impacts that differ from management's best estimate assumptions											
Impact on income from UL policies	(4.1)	(7.9)	(5.5)	(14.5)	22.8	(5.3)	(1.2)	0.3	(12.7)	(5.1)	(18.9)
Macroeconomic impact on level of assets backing LT liabilities	(0.2)	(1.8)	(2.5)	0.5	—	(3.1)	(2.0)	(0.5)	(0.1)	(3.8)	(5.7)
Total	(4.3)	(9.7)	(8.0)	(14.0)	22.8	(8.4)	(3.2)	(0.2)	(12.8)	(8.9)	(24.6)
Assumption changes and management actions	—	(3.3)	—	—	—	(1.6)	—	—	—	(3.3)	(1.6)
Gains or losses on acquisition or disposition of a business, including acquisition, integration and restructuring costs	—	—	(4.9)	—	—	—	(13.6)	—	—	(4.9)	(13.6)
Amortization of acquisition-related finite life intangible assets	2.0	1.9	1.9	1.9	1.8	1.9	2.0	2.0	2.0	7.5	7.9
Non-core pension expense	2.6	2.2	2.2	2.2	2.2	1.2	1.2	1.2	1.2	8.8	4.8
Other specified unusual gains and losses	—	5.8	8.3	—	24.0	11.3	22.1	(3.3)	—	38.1	30.1
Total	0.3	(3.1)	(0.5)	(9.9)	50.8	4.4	8.5	(0.3)	(9.6)	37.3	3.0
Core earnings¹	81.4	93.7	106.1	86.5	85.6	97.1	102.8	92.4	70.2	371.9	362.5

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

² Q3-2019 and Q1-2020 figures include PPI contingent consideration settlement and goodwill impairment.

SOURCES OF EARNINGS BY LINE OF BUSINESS - INDIVIDUAL WEALTH MANAGEMENT

<i>(In millions of dollars, unless otherwise indicated)</i>	2021	2020				2019				2020	2019
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual
Operating profit (loss) ¹											
Expected profit on in-force	58.3	65.4	64.5	51.6	57.4	60.6	61.8	58.6	46.7	238.9	227.7
Experience gain (loss)	3.4	(15.4)	4.8	10.3	(86.2)	(3.0)	6.1	0.5	2.9	(86.5)	6.5
Impact of new business (strain)	—	—	—	—	—	—	—	—	—	—	—
Changes in assumptions and management actions	—	(1.3)	—	—	—	(1.0)	—	—	—	(1.3)	(1.0)
Total	61.7	48.7	69.3	61.9	(28.8)	56.6	67.9	59.1	49.6	151.1	233.2
Income on capital ¹	6.9	4.6	4.3	3.8	2.6	0.4	3.2	0.9	(1.7)	15.3	2.8
Income (loss) before income taxes ¹	68.6	53.3	73.6	65.7	(26.2)	57.0	71.1	60.0	47.9	166.4	236.0
Income taxes ¹	(17.1)	(16.1)	(0.4)	(28.2)	2.6	(14.5)	(18.4)	(15.4)	(12.9)	(42.1)	(61.2)
Net income (loss) attributed to shareholders	51.5	37.2	73.2	37.5	(23.6)	42.5	52.7	44.6	35.0	124.3	174.8
Dividends on preferred shares issued by a subsidiary	1.0	0.9	1.0	0.8	0.6	0.6	0.7	0.6	0.6	3.3	2.5
Net income (loss) attributed to common shareholders	50.5	36.3	72.2	36.7	(24.2)	41.9	52.0	44.0	34.4	121.0	172.3
Core earnings adjustments (post tax) ¹											
Market-related impacts that differ from management's best estimate assumptions											
Impact on expected management fees	(1.1)	(1.5)	(2.0)	(4.2)	2.1	0.7	—	(0.4)	(3.6)	(5.6)	(4.7)
Impact of dynamic hedging	1.0	1.5	(3.2)	7.1	60.7	(5.1)	(4.2)	(3.5)	0.4	66.1	(12.4)
Total	(0.1)	—	(5.2)	2.9	62.8	(5.8)	(4.2)	(3.9)	(3.2)	60.5	(17.1)
Assumption changes and management actions	—	1.0	—	—	—	0.7	—	—	—	1.0	0.7
Gains or losses on acquisition or disposition of a business, including acquisition, integration and restructuring costs	—	—	(1.1)	(8.3)	—	—	—	—	—	(9.4)	—
Amortization of acquisition-related finite life intangible assets	3.4	3.3	3.0	3.2	3.3	3.3	3.2	3.2	3.1	12.8	12.8
Non-core pension expense	1.3	0.9	0.9	0.9	0.9	0.5	0.5	0.5	0.5	3.6	2.0
Other specified unusual gains and losses	—	2.1	1.9	—	—	1.4	—	(0.5)	—	4.0	0.9
Total	4.6	7.3	(0.5)	(1.3)	67.0	0.1	(0.5)	(0.7)	0.4	72.5	(0.7)
Core earnings¹	55.1	43.6	71.7	35.4	42.8	42.0	51.5	43.3	34.8	193.5	171.6

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

SOURCES OF EARNINGS BY LINE OF BUSINESS - GROUP INSURANCE

<i>(In millions of dollars, unless otherwise indicated)</i>	2021	2020				2019				2020	2019
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual
Operating profit (loss) ¹											
Expected profit on in-force	17.5	22.6	23.4	22.7	21.2	25.6	32.3	27.6	22.6	89.9	108.1
Experience gain (loss)	(1.7)	(7.3)	5.3	8.8	(15.4)	(8.5)	(9.9)	1.0	0.7	(8.6)	(16.7)
Impact of new business (strain)	—	—	—	—	—	—	—	—	—	—	—
Changes in assumptions and management actions	—	(4.7)	—	—	—	(6.7)	—	—	—	(4.7)	(6.7)
Total	15.8	10.6	28.7	31.5	5.8	10.4	22.4	28.6	23.3	76.6	84.7
Income on capital ¹	1.6	(0.1)	—	0.3	0.9	1.2	2.3	1.2	1.2	1.1	5.9
Income (loss) before income taxes ¹	17.4	10.5	28.7	31.8	6.7	11.6	24.7	29.8	24.5	77.7	90.6
Income taxes ¹	(3.4)	(0.2)	(13.9)	(2.0)	0.9	(2.4)	(6.5)	(8.0)	(6.7)	(15.2)	(23.6)
Net income (loss) attributed to shareholders	14.0	10.3	14.8	29.8	7.6	9.2	18.2	21.8	17.8	62.5	67.0
Dividends on preferred shares issued by a subsidiary	0.5	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.5	1.6	1.4
Net income (loss) attributed to common shareholders	13.5	9.9	14.4	29.4	7.2	8.9	17.9	21.5	17.3	60.9	65.6
Core earnings adjustments (post tax) ¹											
Market-related impacts that differ from management's best estimate assumptions	—	—	—	—	—	—	—	—	—	—	—
Assumption changes and management actions	—	3.4	—	—	—	4.8	—	—	—	3.4	4.8
Gains or losses on acquisition or disposition of a business, including acquisition, integration and restructuring costs	—	0.7	(0.2)	0.4	0.5	—	—	—	—	1.4	—
Amortization of acquisition-related finite life intangible assets	1.6	2.0	2.0	2.0	2.0	0.8	0.8	0.8	0.9	8.0	3.3
Non-core pension expense	2.2	1.6	1.6	1.6	1.6	0.9	0.9	0.9	0.9	6.4	3.6
Other specified unusual gains and losses	—	3.1	0.9	—	—	1.3	—	(0.3)	—	4.0	1.0
Total	3.8	10.8	4.3	4.0	4.1	7.8	1.7	1.4	1.8	23.2	12.7
Core earnings¹	17.3	20.7	18.7	33.4	11.3	16.7	19.6	22.9	19.1	84.1	78.3

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

SOURCES OF EARNINGS BY LINE OF BUSINESS - GROUP SAVINGS AND RETIREMENT

	2021	2020				2019				2020	2019
<i>(In millions of dollars, unless otherwise indicated)</i>	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual
Operating profit (loss) ¹											
Expected profit on in-force	7.6	6.2	5.8	4.4	5.9	6.3	6.3	6.4	7.1	22.3	26.1
Experience gain (loss)	1.7	(4.4)	2.7	4.1	2.5	0.5	4.4	3.1	2.1	4.9	10.1
Impact of new business (strain)	0.1	(0.1)	(0.2)	0.2	(0.1)	(0.5)	(0.6)	0.1	0.1	(0.2)	(0.9)
Changes in assumptions and management actions	—	11.6	—	—	—	5.9	—	—	—	11.6	5.9
Total	9.4	13.3	8.3	8.7	8.3	12.2	10.1	9.6	9.3	38.6	41.2
Income on capital ¹	1.1	1.4	1.1	1.3	0.8	0.7	0.9	1.0	0.5	4.6	3.1
Income (loss) before income taxes ¹	10.5	14.7	9.4	10.0	9.1	12.9	11.0	10.6	9.8	43.2	44.3
Income taxes ¹	(2.5)	(3.6)	(6.1)	2.0	(0.9)	(3.2)	(3.1)	(2.9)	(2.6)	(8.6)	(11.8)
Net income (loss) attributed to shareholders	8.0	11.1	3.3	12.0	8.2	9.7	7.9	7.7	7.2	34.6	32.5
Dividends on preferred shares issued by a subsidiary	0.3	0.4	0.2	0.2	0.2	0.1	—	0.3	0.1	1.0	0.5
Net income (loss) attributed to common shareholders	7.7	10.7	3.1	11.8	8.0	9.6	7.9	7.4	7.1	33.6	32.0
Core earnings adjustments (post tax) ¹											
Market-related impacts that differ from management's best estimate assumptions	—	—	—	—	—	—	—	—	—	—	—
Assumption changes and management actions	—	(8.5)	—	—	—	(4.4)	—	—	—	(8.5)	(4.4)
Gains or losses on acquisition or disposition of a business, including acquisition, integration and restructuring costs	—	—	(0.3)	—	—	—	—	—	—	(0.3)	—
Amortization of acquisition-related finite life intangible assets	0.1	—	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.4
Non-core pension expense	0.6	0.4	0.4	0.4	0.4	0.3	0.2	0.3	0.2	1.6	1.0
Other specified unusual gains and losses	—	1.0	0.5	—	—	1.2	—	(0.2)	—	1.5	1.0
Total	0.7	(7.1)	0.7	0.5	0.5	(2.8)	0.3	0.2	0.3	(5.4)	(2.0)
Core earnings¹	8.4	3.6	3.8	12.3	8.5	6.8	8.2	7.6	7.4	28.2	30.0

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

SOURCES OF EARNINGS BY LINE OF BUSINESS - US OPERATIONS

<i>(In millions of dollars, unless otherwise indicated)</i>	2021	2020				2019				2020	2019
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual
Operating profit (loss) ¹											
Expected profit on in-force ²	29.0	26.9	36.9	8.2 ²	16.1	11.5	15.4	14.9	14.0	88.1	55.8
Experience gain (loss)	6.5	(11.2)	(4.2)	(0.3)	(1.3)	6.0	(3.4)	2.1	1.6	(17.0)	6.3
Impact of new business (strain)	(5.1)	(3.4)	(2.7)	(2.1)	(3.0)	(1.7)	(2.3)	(1.3)	(3.2)	(11.2)	(8.5)
Changes in assumptions and management actions	—	(4.4)	—	—	—	2.3	—	—	—	(4.4)	2.3
Total	30.4	7.9	30.0	5.8	11.8	18.1	9.7	15.7	12.4	55.5	55.9
Income on capital ¹	(4.1)	(2.6)	(4.4)	4.6	5.0	4.9	5.1	4.2	3.5	2.6	17.7
Income (loss) before income taxes ¹	26.3	5.3	25.6	10.4	16.8	23.0	14.8	19.9	15.9	58.1	73.6
Income taxes ¹	(6.2)	12.9	(4.4)	(2.0)	(3.5)	(4.9)	(3.2)	(4.1)	(3.4)	3.0	(15.6)
Net income (loss) attributed to shareholders	20.1	18.2	21.2	8.4	13.3	18.1	11.6	15.8	12.5	61.1	58.0
Dividends on preferred shares issued by a subsidiary	—	—	—	—	—	—	—	—	—	—	—
Net income (loss) attributed to common shareholders	20.1	18.2	21.2	8.4	13.3	18.1	11.6	15.8	12.5	61.1	58.0
Core earnings adjustments (post tax) ¹											
Market-related impacts that differ from management's best estimate assumptions	—	—	—	—	—	—	—	—	—	—	—
Assumption changes and management actions	—	3.5	—	—	—	(1.8)	—	—	—	3.5	(1.8)
Gains or losses on acquisition or disposition of a business, including acquisition, integration and restructuring costs	3.5	5.5	2.2	6.2	—	—	—	—	—	13.9	—
Amortization of acquisition-related finite life intangible assets	6.4	5.7	9.7	0.5	0.5	0.6	0.6	0.6	0.6	16.4	2.4
Non-core pension expense	—	—	—	—	—	—	—	—	—	—	—
Other specified unusual gains and losses	—	(9.0)	—	—	—	—	—	—	—	(9.0)	—
Total	9.9	5.7	11.9	6.7	0.5	(1.2)	0.6	0.6	0.6	24.8	0.6
Core earnings¹	30.0	23.9	33.1	15.1	13.8	16.9	12.2	16.4	13.1	85.9	58.6

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

² Q2-2020 figure includes IAS acquisition and integration costs.

EXPERIENCE AND SPECIFIC ITEMS¹

(Earnings per diluted weighted average number of common share)	2021	2020				2019				2020	2019
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual
Specific gains and losses											
Changes in assumptions and management actions	—	0.04	—	—	—	0.02	—	—	—	0.04	0.02
Unusual income tax gains and losses	—	0.08	—	—	—	0.08	—	0.04	—	0.08	0.12
HollisWealth post closing adjustment (purchase price clawback)	—	—	—	—	—	—	—	—	—	—	—
Sale of a property, net of losses on AFS investment	—	—	—	—	—	—	—	—	—	—	—
PPI's contingent consideration settlement and goodwill impairment	—	—	—	—	(0.22)	—	(0.08)	—	—	(0.22)	(0.08)
Software and other writedowns	—	(0.04)	(0.11)	—	—	(0.07)	—	—	—	(0.15)	(0.07)
Litigation provision increase	—	—	—	—	—	(0.14)	—	—	—	—	(0.14)
PAR account adjustment	—	—	—	—	—	(0.02)	—	—	—	—	(0.02)
Sale of iA Investment Counsel	—	—	—	0.08	—	—	—	—	—	0.08	—
Sale of residential mortgage portfolio	—	—	0.06	—	—	—	—	—	—	0.06	—
Provision for non-recurrent pandemic support to employees	—	(0.08)	—	—	—	—	—	—	—	(0.08)	—
Acquisition and integration costs	(0.01)	(0.02)	0.02	(0.01)	—	—	—	—	—	(0.01)	—
Total	(0.01)	(0.02)	(0.03)	0.07	(0.22)	(0.13)	(0.08)	0.04	—	(0.20)	(0.17)
Macro-related gains and losses²											
Increase (decrease) in income on UL policies	0.04	0.07	0.05	0.13	(0.21)	0.05	0.01	—	0.12	0.04	0.18
Macroeconomic impact on level of assets backing long-term liabilities ³	—	0.02	0.02	—	—	0.03	0.02	—	—	0.04	0.05
Higher (lower) than expected management fees ³	0.01	0.01	0.02	0.04	(0.02)	—	—	—	0.03	0.05	0.03
Impact of dynamic hedging	(0.01)	(0.01)	0.03	(0.07)	(0.57)	0.05	0.04	0.03	—	(0.62)	0.12
Total	0.04	0.09	0.12	0.10	(0.80)	0.13	0.07	0.03	0.15	(0.49)	0.38
Policyholder experience gains and losses											
Individual Insurance	(0.06)	0.03	0.04	—	(0.08)	0.03	0.02	0.06	(0.06)	(0.01)	0.05
Individual Wealth Management	0.02	(0.10)	(0.01)	(0.01)	—	(0.06)	—	(0.03)	(0.01)	(0.12)	(0.10)
Group Insurance	(0.01)	(0.02)	0.03	0.05	(0.10)	(0.05)	(0.07)	0.01	—	(0.04)	(0.11)
Group Savings and Retirement	0.01	(0.02)	0.02	0.03	0.02	0.01	0.03	0.02	0.02	0.05	0.08
US Operations	0.05	(0.07)	(0.04)	0.01	(0.01)	0.04	(0.02)	0.01	0.01	(0.11)	0.04
Total	0.01	(0.18)	0.04	0.08	(0.17)	(0.03)	(0.04)	0.07	(0.04)	(0.23)	(0.04)
Other experience gains and losses											
Impact of new business (strain) (in Ind. Insurance and US Operations)	(0.01)	(0.04)	—	(0.05)	(0.03)	0.02	0.01	0.03	0.01	(0.12)	0.07
iA Auto and Home	0.08	0.11	0.11	0.07	0.11	0.01	0.05	0.01	0.02	0.40	0.09
Income on capital (excluding iAAH)	0.01	(0.06)	(0.04)	(0.05)	(0.03)	0.02	0.02	0.04	0.01	(0.18)	0.09
Usual income tax gains and losses	(0.09)	—	0.12	0.04	0.04	(0.01)	0.01	(0.05)	(0.05)	0.20	(0.10)
Total gains and losses	0.03	(0.10)	0.32	0.26	(1.10)	0.01	0.04	0.17	0.10	(0.62)	0.32

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

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

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

Note: Due to rounding, minor differences may occur between items expressed in millions of dollars and expressed in earnings per common share. In all cases, items expressed in millions of dollars prevail over those expressed in earnings per common share.

REPORTED EPS AND CORE EPS RECONCILIATION

	2021	2020				2019				2020	2019
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual
Reported earnings											
Earnings per common share - diluted	\$1.61	\$1.60	\$2.03	\$1.71	\$0.36	\$1.59	\$1.72	\$1.69	\$1.40	\$5.70	\$6.40
Return on common shareholders' equity - trailing 12 months ¹	12.7%	10.6%	10.9%	10.5%	10.7%	12.9%	12.7%	12.6%	12.4%	—	—
Core earnings remove from reported earnings the impacts of the following items (in earnings per common share, diluted): ¹											
Market-related impacts that differ from management's best estimate assumptions	(\$0.04)	(\$0.09)	(\$0.12)	(\$0.10)	\$0.80	(\$0.13)	(\$0.07)	(\$0.03)	(\$0.15)	\$0.49	(\$0.38)
Assumption changes and management actions	—	(\$0.04)	—	—	—	(\$0.02)	—	—	—	(\$0.04)	(\$0.02)
Charges or proceeds related to acquisition or disposition of a business, including acquisition, integration and restructuring costs	\$0.03	\$0.05	(\$0.04)	(\$0.02)	—	—	(\$0.13)	—	—	(\$0.01)	(\$0.13)
Amortization of acquisition-related finite life intangible assets	\$0.13	\$0.12	\$0.16	\$0.07	\$0.07	\$0.06	\$0.06	\$0.07	\$0.06	\$0.42	\$0.25
Non-core pension expense	\$0.06	\$0.05	\$0.05	\$0.05	\$0.04	\$0.03	\$0.03	\$0.03	\$0.02	\$0.19	\$0.11
Other specified unusual gains and losses ²	—	\$0.04	\$0.11	—	\$0.22	\$0.15	\$0.21	(\$0.04)	—	\$0.37	\$0.32
Total	\$0.18	\$0.13	\$0.16	—	\$1.13	\$0.09	\$0.10	\$0.03	(\$0.07)	\$1.42	\$0.15
Core earnings¹											
Core earnings per common share - diluted	\$1.79	\$1.73	\$2.19	\$1.71	\$1.49	\$1.68	\$1.82	\$1.72	\$1.33	\$7.12	\$6.55
Core return on common shareholders' equity - trailing 12 months	13.6%	13.3%	13.5%	13.1%	13.3%	13.1%	N/A	N/A	N/A	—	—

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

² See page 14 of this document for more information on specific gains and losses.

Note: The figures do not always add up exactly due to rounding differences.

Note: Due to rounding, minor differences may occur between items expressed in millions of dollars and expressed in earnings per common share. In all cases, items expressed in millions of dollars prevail over those expressed in earnings per common share.

BUSINESS GROWTH

(In millions of dollars, unless otherwise indicated)	2021	2020				2019				2020	2019
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual
Individual Insurance											
Sales ¹											
Minimum Premiums	54.4	64.0	51.6	43.5	43.3	48.5	45.8	43.1	39.0	202.4	176.4
Excess Premiums	3.7	7.7	1.8	9.4	1.9	2.8	1.2	4.9	2.2	20.8	11.1
Total	<u>58.1</u>	<u>71.7</u>	<u>53.4</u>	<u>52.9</u>	<u>45.2</u>	<u>51.3</u>	<u>47.0</u>	<u>48.0</u>	<u>41.2</u>	<u>223.2</u>	<u>187.5</u>
Net premiums	418.7	421.8	412.0	393.5	397.5	409.9	397.5	391.3	387.8	1,624.8	1,586.5
Number of policies issued											
Life insurance only	35,590	38,400	34,519	31,558	28,929	31,485	32,379	30,711	27,713	133,406	122,288
Life, critical illness, disability	51,814	55,224	49,156	46,965	44,558	47,995	49,160	46,714	41,858	195,903	185,727
Individual Wealth Management											
Sales ¹											
General fund	228.7	247.3	208.2	174.9	205.7	176.7	162.0	97.9	109.2	836.1	545.8
Segregated funds	1,377.0	883.1	724.9	599.3	872.3	633.4	576.4	544.8	610.9	3,079.6	2,365.5
Mutual funds	941.8	759.7	544.7	504.6	693.0	566.3	465.2	485.9	546.3	2,502.0	2,063.7
Total	<u>2,547.5</u>	<u>1,890.1</u>	<u>1,477.8</u>	<u>1,278.8</u>	<u>1,771.0</u>	<u>1,376.4</u>	<u>1,203.6</u>	<u>1,128.6</u>	<u>1,266.4</u>	<u>6,417.7</u>	<u>4,975.0</u>
Net investment fund sales ¹											
Segregated funds	972.3	547.2	375.9	417.0	423.8	243.6	167.8	106.2	145.2	1,763.9	662.8
Mutual funds	377.8	245.2	47.6	49.9	(99.2)	(54.4)	(127.9)	(136.8)	(88.5)	243.5	(407.6)
Total	<u>1,350.1</u>	<u>792.4</u>	<u>423.5</u>	<u>466.9</u>	<u>324.6</u>	<u>189.2</u>	<u>39.9</u>	<u>(30.6)</u>	<u>56.7</u>	<u>2,007.4</u>	<u>255.2</u>
Assets under management											
General fund	2,117.3	2,121.7	2,034.1	1,952.2	1,915.1	1,807.5	1,731.4	1,644.9	1,613.4	2,121.7	1,807.5
Segregated funds	20,423.4	19,240.2	17,738.0	16,754.9	14,893.9	16,391.9	15,748.3	15,431.7	15,135.6	19,240.2	16,391.9
Mutual funds	12,030.7	11,393.1	10,518.0	10,048.7	9,908.7	11,594.1	11,360.2	11,431.0	11,467.0	11,393.1	11,594.1
Other	1,074.0	995.3	914.8	994.5	3,825.7	4,509.0	4,515.7	4,513.1	4,518.3	995.3	4,509.0
Total	<u>35,645.4</u>	<u>33,750.3</u>	<u>31,204.9</u>	<u>29,750.3</u>	<u>30,543.4</u>	<u>34,302.6</u>	<u>33,355.6</u>	<u>33,020.7</u>	<u>32,734.3</u>	<u>33,750.3</u>	<u>34,302.6</u>
Assets under administration ^{2,3}											
Total	<u>98,292.1</u>	<u>94,534.2</u>	<u>87,555.0</u>	<u>84,594.2</u>	<u>77,639.2</u>	<u>88,142.1</u>	<u>86,426.5</u>	<u>86,361.4</u>	<u>84,899.1</u>	<u>94,534.2</u>	<u>88,142.1</u>
Total	<u>133,937.5</u>	<u>128,284.5</u>	<u>118,759.9</u>	<u>114,344.5</u>	<u>108,182.6</u>	<u>122,444.7</u>	<u>119,782.1</u>	<u>119,382.1</u>	<u>117,633.4</u>	<u>128,284.5</u>	<u>122,444.7</u>
Group Insurance											
Sales ¹											
Employee Plans	87.1	30.1	26.1	22.9	57.1	6.2	12.9	4.1	25.9	136.2	49.1
Dealers Services											
Creditor Insurance	43.0	65.3	90.1	46.4	58.9	75.0	97.6	91.3	64.8	260.7	328.7
P&C	64.5	67.4	87.0	54.1	62.0	55.9	70.6	74.3	52.6	270.5	253.4
Non-Prime Loan originations	123.7	116.2	132.0	89.0	103.2	110.1	131.5	104.5	92.1	440.4	438.2
Total	<u>231.2</u>	<u>248.9</u>	<u>309.1</u>	<u>189.5</u>	<u>224.1</u>	<u>241.0</u>	<u>299.7</u>	<u>270.1</u>	<u>209.5</u>	<u>971.6</u>	<u>1,020.3</u>
Special Markets	46.8	44.4	40.3	44.9	75.8	76.3	62.9	61.1	73.6	205.4	273.9
Total sales	<u>365.1</u>	<u>323.4</u>	<u>375.5</u>	<u>257.3</u>	<u>357.0</u>	<u>323.5</u>	<u>375.5</u>	<u>335.3</u>	<u>309.0</u>	<u>1,313.2</u>	<u>1,343.3</u>
Car loans ¹											
Dealer Services - Non-Prime Finance receivables	948.2	904.3	863.0	798.5	762.5	727.0	685.1	614.3	572.7	904.3	727.0

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

² Includes assets related to distribution affiliates.

³ An adjustment to Q2-2019 asset under administration figure has been performed in Q3-2019.

BUSINESS GROWTH (continued)

	2021	2020				2019				2020	2019
<i>(In millions of dollars, unless otherwise indicated)</i>	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual
Group Insurance (continued)											
Net premiums and premium equivalents											
Employee Plans	282.1	262.6	259.9	243.8	261.9	245.4	245.0	248.8	246.5	1,028.2	985.7
Dealer Services - Creditor Insurance	28.5	46.5	73.2	32.4	41.2	54.2	75.9	67.9	43.4	193.3	241.4
Dealer Services - P&C	47.1	50.2	45.5	48.9	49.5	39.2	38.6	40.1	37.3	194.1	155.2
Special Markets	41.8	39.6	35.9	40.6	71.3	71.8	58.6	56.3	69.5	187.4	256.2
Total net premiums	399.5	398.9	414.5	365.7	423.9	410.6	418.1	413.1	396.7	1,603.0	1,638.5
Premium equivalents and deposits											
Administrative services only contracts (ASO)	24.4	21.2	18.0	7.4	16.9	17.9	16.2	18.5	18.3	63.5	70.9
Investment contracts	5.8	18.8	17.5	20.2	20.5	20.6	20.3	15.8	22.1	77.0	78.8
Total	429.7	438.9	450.0	393.3	461.3	449.1	454.6	447.4	437.1	1,743.5	1,788.2
Group Savings and Retirement											
Sales ¹											
Accumulation contracts											
General fund	12.0	26.4	17.5	19.9	41.9	10.7	16.0	11.7	11.6	105.7	50.0
Segregated funds	626.9	842.8	508.3	288.8	591.9	372.0	324.5	316.8	336.7	2,231.8	1,350.0
Total	638.9	869.2	525.8	308.7	633.8	382.7	340.5	328.5	348.3	2,337.5	1,400.0
Insured annuities (general fund)	27.4	0.8	648.2	52.3	6.1	197.3	95.0	17.3	318.0	707.4	627.6
Deposits	27.0	9.0	6.0	4.0	19.0	13.2	11.0	12.6	9.2	38.0	46.0
Total sales	693.3	879.0	1,180.0	365.0	658.9	593.2	446.5	358.4	675.5	3,082.9	2,073.6
Net premiums and deposits											
Net premiums	659.8	863.5	1,167.5	354.2	633.0	573.0	428.5	338.7	660.3	3,018.2	2,000.5
Deposits	27.0	9.0	6.0	4.0	19.0	13.2	11.0	12.6	9.2	38.0	46.0
Total	686.8	872.5	1,173.5	358.2	652.0	586.2	439.5	351.3	669.5	3,056.2	2,046.5
Assets under management											
Accumulation contracts											
General fund ²	254.0	298.5	295.1	290.4	289.9	232.5	240.8	233.2	233.4	298.5	232.5
Segregated funds	13,013.7	13,563.8	12,381.0	11,749.9	10,566.2	11,476.0	11,228.1	10,957.0	10,623.9	13,563.8	11,476.0
Other	354.5	364.1	352.9	355.7	335.3	865.0	899.1	896.5	887.6	364.1	865.0
Total	13,622.2	14,226.4	13,029.0	12,396.0	11,191.4	12,573.5	12,368.0	12,086.7	11,744.9	14,226.4	12,573.5
Insured annuities (general fund)	4,495.8	4,758.4	4,711.6	4,067.2	3,817.1	3,929.2	3,791.2	3,709.7	3,658.3	4,758.4	3,929.2
Total	18,118.0	18,984.8	17,740.6	16,463.2	15,008.5	16,502.7	16,159.2	15,796.4	15,403.2	18,984.8	16,502.7

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

² In Q3-2020 an adjustment has been made to better reflect Q2-2020 results.

BUSINESS GROWTH (continued)

(In millions of dollars, unless otherwise indicated)	2021		2020			2019				2020	2019
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual
US Operations											
Sales (\$US) ¹											
Individual Insurance	31.2	31.2	33.7	32.9	29.4	29.4	25.9	24.7	19.2	127.2	99.2
Dealer Services - P&C ²	233.0	245.8	249.1	106.9	117.2	107.6	117.4	114.5	109.7	719.0	449.2
Sales (\$CAN) ¹											
Individual Insurance	39.5	40.6	45.0	45.5	39.4	38.8	34.3	33.1	25.4	170.5	131.6
Dealer Services - P&C ²	295.0	322.7	335.2	148.2	157.4	141.9	155.1	153.1	145.9	963.5	596.0
Net Premiums and Premium Equivalents (\$CAN)											
Net Premiums											
Individual Insurance	119.2	99.1	125.3	123.7	113.5	107.1	102.0	100.5	95.5	461.6	405.1
Dealer Services - P&C ²	79.6	77.5	103.8	26.6	24.7	24.0	25.5	19.1	19.3	232.6	87.9
Total	198.8	176.6	229.1	150.3	138.2	131.1	127.5	119.6	114.8	694.2	493.0
Premium Equivalents - P&C	47.6	42.1	81.8	37.3	40.7	44.7	33.1	43.9	36.4	201.9	158.1
Total Net premiums and Premium Equivalents	246.4	218.7	310.9	187.6	178.9	175.8	160.6	163.5	151.2	896.1	651.1
General Insurance											
Sales ¹											
iAAH (Auto & Home)	84.1	86.3	109.8	125.0	73.9	76.2	96.2	112.4	66.2	395.0	351.0
Net premiums, premium equivalents and deposits by line of business											
Individual Insurance	418.7	421.8	412.0	393.5	397.5	409.9	397.5	391.3	387.8	1,624.8	1,586.5
Individual Wealth Management	2,547.5	1,890.1	1,477.8	1,278.8	1,771.0	1,376.4	1,203.6	1,128.6	1,266.4	6,417.7	4,975.0
Group Insurance	429.7	438.9	450.0	393.3	461.3	449.1	454.6	447.4	437.1	1,743.5	1,788.2
Group Savings and Retirement	686.8	872.5	1,173.5	358.2	652.0	586.2	439.5	351.3	669.5	3,056.2	2,046.5
US Operations	246.4	218.7	310.9	187.6	178.9	175.8	160.6	163.5	151.2	896.1	651.1
General Insurance ³	92.5	88.8	91.4	75.5	84.5	82.3	79.5	77.3	75.1	340.2	314.2
Total	4,421.6	3,930.8	3,915.6	2,686.9	3,545.2	3,079.7	2,735.3	2,559.4	2,987.1	14,078.5	11,361.5
Distribution of net premiums, premium equivalents and deposits by region											
Atlantic provinces	4.1%	3.1%	3.5%	3.3%	3.2%	3.2%	3.6%	4.0%	7.1%	3.3%	4.5%
Quebec	40.1%	47.0%	32.5%	39.7%	38.5%	36.2%	40.3%	40.8%	35.3%	39.4%	38.0%
Ontario	25.5%	22.4%	38.2%	28.1%	29.5%	31.4%	28.6%	25.8%	32.3%	29.6%	29.7%
Western provinces	24.6%	22.1%	18.3%	21.7%	23.7%	23.4%	21.5%	22.9%	20.2%	21.2%	22.0%
Outside Canada	5.7%	5.4%	7.5%	7.2%	5.1%	5.8%	6.0%	6.5%	5.1%	6.5%	5.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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

² Since Q3-2020, IAS Parent Holdings inc. has been added to this business unit.

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

BUSINESS GROWTH (continued)

	2021		2020				2019				2020	2019
<i>(In millions of dollars, unless otherwise indicated)</i>	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual	
Assets under management and administration												
Assets under management												
General fund	52,237.8	53,661.5	52,705.8	51,499.5	47,811.4	45,279.6	45,458.8	43,432.1	42,530.9	53,661.5	45,279.6	
Segregated funds	33,437.1	32,804.0	30,119.0	28,504.8	25,460.1	27,867.9	26,976.4	26,388.7	25,759.5	32,804.0	27,867.9	
Mutual funds	12,030.7	11,393.1	10,518.0	10,048.7	9,908.7	11,594.2	11,360.2	11,431.0	11,467.0	11,393.1	11,594.2	
Other ¹	3,913.4	3,797.3	3,731.7	5,287.3	13,893.1	15,500.1	15,666.6	15,421.8	15,199.0	3,797.3	15,500.1	
Total	101,619.0	101,655.9	97,074.5	95,340.3	97,073.3	100,241.8	99,462.0	96,673.6	94,956.4	101,655.9	100,241.8	
Assets under administration ²	99,647.2	95,830.1	88,745.4	85,682.6	78,653.6	89,245.8	87,592.0	87,566.7	86,114.1	95,830.1	89,245.8	
Total	<u>201,266.2</u>	<u>197,486.0</u>	<u>185,819.9</u>	<u>181,022.9</u>	<u>175,726.9</u>	<u>189,487.6</u>	<u>187,054.0</u>	<u>184,240.3</u>	<u>181,070.5</u>	<u>197,486.0</u>	<u>189,487.6</u>	
Human resources												
Number of employees	8,020	7,794	7,740	7,613	7,495	7,018	6,904	6,873	6,917	7,794	7,018	

¹Mainly assets managed for third parties.

²An adjustment to the Q2-2019 assets under administration figure was made in Q3-2019.

INVESTED ASSETS

(In millions of dollars, unless otherwise indicated)	2021		2020			2019			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Value and distribution of investments									
Book value of investment portfolio	42,498.8	45,147.1	44,687.0	43,308.0	41,561.2	39,919.2	39,856.8	37,987.9	36,572.6
Distribution of investments by financial instrument category									
Fair value through profit or loss (FVTPL)	64.3%	66.9%	67.5%	67.4%	65.0%	63.9%	64.5%	65.1%	63.3%
Held to maturity	1.0%	1.1%	1.2%	—	—	—	—	—	—
Loans and receivables	17.4%	16.3%	15.7%	18.3%	20.3%	19.1%	18.9%	19.2%	19.5%
Available for sale	11.9%	10.5%	10.1%	8.7%	8.8%	10.7%	11.1%	10.1%	11.6%
Investment properties	4.4%	4.2%	4.5%	4.6%	4.9%	5.2%	4.5%	4.6%	4.7%
Other	1.0%	1.0%	1.0%	1.0%	1.0%	1.1%	1.0%	1.0%	0.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Distribution of investments by asset category									
Bonds	71.9%	71.1%	72.2%	69.1%	66.7%	68.8%	69.6%	69.1%	69.0%
Mortgages and other loans	6.8%	6.2%	5.9%	8.7%	9.2%	9.7%	9.7%	10.0%	10.0%
Stocks	8.2%	7.3%	7.0%	6.8%	6.6%	7.6%	7.3%	7.4%	8.5%
Real estate	4.4%	4.2%	4.5%	4.6%	4.9%	5.2%	4.5%	4.6%	4.7%
Policy loans	2.2%	2.0%	2.0%	2.2%	2.2%	2.3%	2.3%	2.4%	2.6%
Cash and short-term investments	3.2%	4.3%	4.0%	3.4%	7.2%	2.8%	2.5%	2.3%	2.5%
Other	3.3%	4.9%	4.4%	5.2%	3.2%	3.6%	4.1%	4.2%	2.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Distribution of investments by region									
Atlantic provinces	3.3%	3.1%	3.0%	2.9%	2.9%	2.9%	3.0%	2.9%	3.1%
Quebec	24.5%	24.7%	24.4%	26.8%	27.1%	27.3%	27.1%	26.9%	26.8%
Ontario	29.8%	30.4%	31.4%	30.0%	30.1%	30.8%	32.3%	32.8%	32.4%
Western provinces	18.5%	17.8%	17.6%	17.7%	17.3%	18.2%	18.2%	18.5%	18.7%
Outside Canada	23.9%	24.0%	23.6%	22.6%	22.6%	20.8%	19.4%	18.9%	19.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Impaired investments and provisions									
Gross impaired investments (excluding insured loans)	23.1	45.2	45.4	44.5	5.5	21.5	24.0	23.9	24.2
Provisions for impaired investments (specific)	5.6	14.1	8.0	8.1	2.8	10.5	11.1	11.1	8.6
As a % of gross impaired investments	24.2%	31.2%	17.6%	18.2%	50.9%	49.1%	46.3%	46.4%	35.5%
Net impaired investments (excluding insured loans)									
Bonds	17.4	30.8	37.0	36.0	2.0	10.1	10.2	10.2	12.8
Mortgages and other loans	0.1	0.3	0.4	0.4	0.7	0.8	2.7	2.6	2.8
Total	17.5	31.1	37.4	36.4	2.7	10.9	12.9	12.8	15.6
Net impaired investments as a % of investment portfolio	0.04%	0.07%	0.08%	0.08%	0.01%	0.03%	0.03%	0.03%	0.04%
Provisions for losses (collective and specific)									
At beginning of period	40.8	35.0	31.5	22.5	20.7	20.8	19.7	16.8	16.7
Increase for the period	9.6	12.5	9.1	16.2	20.7	11.4	9.5	11.0	8.3
Decrease for the period	(18.6)	(6.7)	(5.6)	(7.2)	(18.9)	(11.5)	(8.4)	(8.1)	(8.2)
At end of period	31.8	40.8	35.0	31.5	22.5	20.7	20.8	19.7	16.8
Provisions for losses by type of investment (collective and specific)									
Bonds	5.6	14.1	8.0	8.0	2.5	10.4	10.4	10.4	7.9
Mortgages	—	—	—	—	—	—	0.6	0.6	0.6
Car loans	26.2	26.7	27.0	23.5	20.0	10.3	9.8	8.7	8.3
Total	31.8	40.8	35.0	31.5	22.5	20.7	20.8	19.7	16.8
Other quality measure									
Car loans - Average credit loss rate (non-prime) ¹	3.0%	3.6%	4.3%	5.0%	5.5%	5.4%	5.3%	5.4%	5.3%

¹Non-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.

INVESTED ASSETS (continued)

(In millions of dollars, unless otherwise indicated)	2021		2020			2019			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Real estate acquired to settle loans									
Real estate held for resale	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Bonds									
Book value of the bond portfolio	30,541.8	32,098.6	32,279.0	29,964.1	27,708.3	27,508.5	27,767.3	26,291.8	25,229.3
Distribution by financial instrument category									
Available for sale	14.0%	12.5%	12.2%	10.9%	12.0%	13.7%	14.1%	12.8%	15.0%
Fair value through profit or loss (FVTPL)	75.9%	77.8%	78.1%	80.6%	79.0%	77.8%	77.8%	78.6%	76.4%
Held to maturity	1.5%	1.5%	1.7%	—	—	—	—	—	—
Loans and receivables	8.6%	8.2%	8.0%	8.5%	9.0%	8.5%	8.1%	8.6%	8.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Distribution by credit rating									
Rating - AAA	7.74%	5.97%	6.10%	4.05%	5.03%	6.78%	5.54%	4.56%	6.14%
Rating - AA	45.07%	47.27%	47.08%	48.32%	47.47%	47.62%	34.48%	35.53%	34.82%
Rating - A	28.93%	29.47%	29.27%	30.20%	30.55%	28.94%	42.01%	42.25%	41.28%
Rating - BBB	17.25%	16.30%	16.78%	16.60%	16.20%	15.79%	17.15%	16.80%	16.84%
Rating - BB and lower	1.01%	0.99%	0.77%	0.83%	0.75%	0.87%	0.82%	0.86%	0.92%
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	47.4%	47.4%	47.4%	46.8%	46.5%	49.7%	50.4%	50.2%	50.4%
Municipalities	4.8%	4.8%	4.7%	5.0%	5.0%	4.8%	4.8%	5.1%	5.1%
Corporates - Public issues	30.7%	31.1%	31.5%	30.9%	30.8%	28.2%	28.2%	27.5%	27.0%
Corporates - Private issues	17.1%	16.7%	16.4%	17.3%	17.7%	17.3%	16.6%	17.2%	17.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mortgages and other loans									
Book value of mortgage and other loans portfolio	2,900.8	2,801.5	2,631.5	3,749.3	3,814.8	3,870.2	3,853.4	3,795.7	3,670.9
Book value of mortgages	1,952.9	1,891.5	1,753.9	2,921.3	3,006.6	3,076.2	3,085.9	3,080.7	2,984.3
Book value of other loans	947.9	910.0	877.6	828.0	808.2	794.0	767.5	715.0	686.6
Distribution by financial instrument category									
Held for trading	2.6%	2.9%	3.5%	2.5%	2.7%	2.4%	2.5%	2.6%	2.5%
Loans and receivables	97.4%	97.1%	96.5%	97.5%	97.3%	97.6%	97.5%	97.4%	97.5%
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	—	—	—	38.0%	37.3%	37.0%	37.4%	36.7%	36.5%
Multi-residential	85.4%	86.0%	87.7%	53.9%	53.8%	54.6%	54.1%	54.5%	55.1%
Non-residential	14.6%	14.0%	12.3%	8.1%	8.9%	8.4%	8.5%	8.8%	8.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Distribution by type of mortgage									
Securitized and insured ¹	24.4%	23.1%	24.1%	34.9%	38.0%	37.8%	39.2%	38.1%	39.7%
Insured	48.6%	50.1%	49.7%	38.3%	34.3%	36.0%	35.8%	37.4%	36.9%
Uninsured	27.0%	26.8%	26.2%	26.8%	27.7%	26.2%	25.0%	24.5%	23.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

¹ A marginal portion of the "Securitized and insured" loans may be uninsured at the end of the quarter.

INVESTED ASSETS (continued)

(In millions of dollars, unless otherwise indicated)	2021		2020				2019			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Mortgages										
Other quality measures										
Delinquency rate ¹										
Securitized and insured ²	—	—	—	—	—	0.01%	—	0.05%	0.05%	
Insured	—	—	—	0.04%	—	0.21%	0.21%	0.20%	0.21%	
Uninsured	—	—	—	—	0.21%	—	—	—	—	
Total	—	—	—	0.01%	0.06%	0.08%	0.08%	0.10%	0.10%	
Delinquency rate, including real estate acquired to settle loans	0.03%	0.03%	0.03%	0.03%	0.08%	0.10%	0.09%	0.11%	0.12%	
Stocks										
Book value of the stock portfolio	3,471.6	3,285.7	3,142.1	2,929.3	2,752.0	3,023.5	2,920.1	2,810.3	3,094.5	
Distribution by financial instrument category										
Available for sale	18.8%	18.1%	14.4%	13.6%	12.6%	17.0%	17.6%	16.4%	14.5%	
Fair value through profit or loss (FVTPL)	81.2%	81.9%	85.6%	86.4%	87.4%	83.0%	82.4%	83.6%	85.5%	
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Distribution by category										
Common	55.3%	55.5%	55.6%	56.6%	60.8%	54.8%	53.1%	53.6%	58.9%	
Preferred	22.8%	22.5%	17.6%	17.2%	15.9%	18.5%	18.9%	19.8%	16.7%	
Market indices	2.0%	2.1%	7.7%	8.2%	7.1%	10.3%	11.2%	9.5%	9.9%	
Investment fund units and other	19.9%	19.9%	19.1%	18.0%	16.2%	16.4%	16.8%	17.1%	14.5%	
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	51.1%	51.2%	53.6%	51.8%	56.6%	49.7%	48.4%	48.0%	54.1%	
Backing UL accounts	28.7%	28.9%	28.4%	30.2%	27.6%	29.4%	30.0%	31.0%	27.9%	
Backing capital	20.2%	19.9%	18.0%	18.0%	15.8%	20.9%	21.6%	21.0%	18.0%	
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Real estate										
Investment properties	1,884.8	1,916.1	1,989.0	1,988.8	2,021.7	2,076.6	1,773.8	1,728.8	1,720.5	
Linearization of rents	28.1	27.4	26.4	24.5	22.4	22.2	19.6	18.6	18.3	
Fair value of investment properties	1,912.9	1,943.5	2,015.4	2,013.3	2,044.1	2,098.8	1,793.4	1,747.4	1,738.8	
Occupancy rate on investment properties	95.0%	95.0%	96.0%	96.0%	95.0%	94.0%	93.0%	96.0%	96.0%	
Other										
Provision for potential loss on fixed-income securities contained in the policy liabilities	489.8	535.4	527.9	493.6	450.9	408.0	394.6	363.7	332.5	

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

² A marginal portion of the "Securitized and insured" loans may be uninsured at the end of the quarter.

SOLVENCY AND CAPITALIZATION

<i>(In millions of dollars, unless otherwise indicated)</i>	2021		2020			2019			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Capital structure									
Debentures	1,449.3	1,448.7	1,448.2	1,448.1	1,447.9	1,049.7	1,049.5	651.5	901.5
Participating policyholders' accounts ¹	36.0	40.7	46.0	50.0	43.3	41.9	52.6	52.6	52.7
Equity									
Common shares	1,689.5	1,674.5	1,672.8	1,671.9	1,671.9	1,666.5	1,652.3	1,632.3	1,634.5
Preferred shares issued by a subsidiary	525.0	525.0	525.0	525.0	525.0	525.0	525.0	525.0	525.0
Contributed surplus	17.5	18.8	18.5	18.1	17.2	17.5	19.1	22.5	22.5
Retained earnings ¹	4,405.5	4,170.5	4,034.5	3,884.1	3,878.4	3,823.5	3,651.5	3,534.5	3,467.0
Accumulated other comprehensive income	(1.5)	82.5	105.7	121.5	27.5	55.6	89.5	91.7	84.8
Total shareholders' equity	6,636.0	6,471.3	6,356.5	6,220.6	6,120.0	6,088.1	5,937.4	5,806.0	5,733.8
Total capital structure	8,121.3	7,960.7	7,850.7	7,718.7	7,611.2	7,179.7	7,039.5	6,510.1	6,688.0
Debt measures									
Debentures/capital structure	17.8%	18.2%	18.4%	18.8%	19.0%	14.6%	14.9%	10.0%	13.5%
Debentures and preferred shares issued by a subsidiary/capital structure	24.3%	24.8%	25.1%	25.6%	25.9%	21.9%	22.4%	18.1%	21.3%
Coverage ratio (in number of times) ²	14.0	11.7	12.0	12.4	13.3	16.6	16.8	15.9	14.8
Credit ratings									
	Standard & Poor's		DBRS			A.M. Best			
iA Financial Corporation Inc.									
Issuer credit rating	A		A			not rated			
Subordinated debentures	A-		A (low)			a			
Industrial Alliance Insurance and Financial Services Inc.									
Financial strength rating	AA-		AA (low)			A+ (Superior)			
Issuer credit rating	AA-		AA (low)			aa-			
Subordinated debentures	A+		A (high)			a			
Preferred Shares ³	A		Pfd-1 (low)			a-			

¹ In Q4 2019, an adjustment has been made retroactively to January 1, 2018 transferring \$7 from retained earnings to the participating policyholders' accounts.

² Calculated by dividing earnings for the past 12 months (before interest and taxes) by the sum of interest, dividends on preferred shares issued by a subsidiary and redemption premiums on preferred shares issued by a subsidiary (if applicable).

³ For preferred shares: A is the rating on global scale and P-1 (Low) is the rating on Canadian scale.

SOLVENCY AND CAPITALIZATION (continued)

<i>(In millions of dollars, unless otherwise indicated)</i>	2021		2020				2019			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
IA Financial Corporation Inc.										
Solvency ratio CARLI¹										
Available capital										
Tier 1 Capital:										
Common shares	1,689.5	1,674.5	1,672.8	1,671.9	1,671.9	1,666.5	1,652.3	1,632.3	1,634.5	
Preferred shares issued by a subsidiary	525.0	525.0	525.0	525.0	525.0	525.0	525.0	525.0	525.0	
Other Tier 1 capital instruments	—	—	—	—	—	—	—	—	—	
Adjusted Retained Earnings ²	4,395.9	4,162.6	4,026.3	3,875.0	3,869.6	3,814.4	3,642.9	3,530.0	3,462.8	
Other ²	58.5	145.3	172.8	184.4	32.7	140.0	164.9	170.2	162.3	
Gross Tier 1	6,668.9	6,507.4	6,396.9	6,256.3	6,099.2	6,145.9	5,985.1	5,857.5	5,784.6	
Deductions for Goodwill and Other intangibles assets	(1,475.2)	(1,333.4)	(1,306.8)	(1,321.5)	(1,368.4)	(1,226.9)	(1,218.2)	(1,239.3)	(1,223.6)	
Other Tier 1 Deductions	(2,438.4)	(2,406.6)	(2,373.5)	(2,314.6)	(1,594.5)	(1,706.3)	(1,602.3)	(1,590.1)	(1,478.3)	
Tier 1	2,755.3	2,767.4	2,716.6	2,620.2	3,136.3	3,212.7	3,164.6	3,028.1	3,082.7	
Tier 2 Capital										
Subordinated debt	1,445.2	1,444.9	1,444.3	1,444.0	1,443.6	1,045.7	1,045.5	647.7	897.6	
Other Tier 2 capital instruments	—	—	—	—	—	—	—	—	—	
Other	779.6	857.4	892.0	866.1	741.7	802.4	812.4	810.5	764.9	
Gross Tier 2	2,224.8	2,302.3	2,336.3	2,310.1	2,185.3	1,848.1	1,857.9	1,458.2	1,662.5	
Tier 2 Deductions	(513.5)	(701.7)	(733.6)	(788.7)	(231.3)	(251.7)	(262.0)	(257.0)	(259.1)	
Tier 2	1,711.3	1,600.6	1,602.7	1,521.4	1,954.0	1,596.4	1,595.9	1,201.2	1,403.4	
Available capital	4,466.6	4,368.0	4,319.3	4,141.6	5,090.3	4,809.1	4,760.5	4,229.3	4,486.1	
Surplus Allowance and Eligible Deposits	4,703.5	5,054.6	4,993.6	4,845.6	4,432.9	4,461.8	4,419.9	4,294.1	4,268.2	
Base Solvency Buffer										
Credit Risk	1,135.4	1,183.8	1,189.9	1,139.6	1,067.2	973.5	1,027.5	953.9	901.4	
Market Risk	2,428.5	2,373.1	2,273.4	2,208.7	2,078.7	2,232.4	2,223.5	2,210.5	2,614.3	
Insurance Risk	3,639.4	3,694.6	4,000.4	3,933.3	3,863.2	3,813.5	3,648.5	3,608.0	3,561.6	
Segregated Fund Guarantees Risk	274.8	288.1	283.4	272.8	255.6	228.3	227.1	225.3	224.3	
Operational Risk	608.1	600.1	599.3	582.2	556.5	573.7	557.4	550.2	567.3	
Diversification and Other Credits	(1,239.1)	(1,218.5)	(1,232.7)	(1,214.8)	(1,181.1)	(1,173.6)	(1,151.0)	(1,147.9)	(1,156.4)	
Base Solvency Buffer ³	7,189.5	7,267.3	7,469.4	7,267.9	6,972.1	6,980.2	6,859.7	6,720.0	7,048.1	
Total solvency ratio	128%	130%	125%	124%	137%	133%	134%	127%	124%	
Industrial Alliance Insurance and Financial Services Inc.										
Solvency ratio CARLI¹										
Available capital, surplus allowance and eligible deposits	8,316.1	8,829.1	9,214.9	8,816.5	8,077.4	8,766.6	8,613.8	8,425.9	8,695.5	
Base Solvency Buffer	7,197.8	7,246.3	7,442.2	7,258.1	6,941.5	6,971.9	6,858.3	6,718.8	7,047.5	
Total solvency ratio	116%	122%	124%	121%	116%	126%	126%	125%	123%	

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

² In Q4-2019, an adjustment has been made retroactively to January 1, 2018 transferring \$7 from retained earnings to the participating policyholders' accounts.

³ Including the scalar of 1.05.

MACROECONOMIC SENSITIVITY¹

	2021		2020			2019			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Equity Market Sensitivity									
Reference index (S&P/TSX Index (in points)) ²	18,701	17,433	16,121	15,515	13,379	17,063	16,659	16,382	16,102
Level of S&P/TSX before reserves require strengthening for future policy benefits (in points) ¹	14,200	12,800	12,700	12,500	11,700	13,000	12,500	12,300	11,900
Variation	(24%)	(27%)	(21%)	(20%)	(13%)	(24%)	(25%)	(25%)	(26%)
Solvency ratio (CARLI) ¹	128%	130%	125%	124%	137%	133%	134%	127%	124%
Level of S&P/TSX at which solvency ratio would be 110% (in points) ³	2,900	2,900	5,400	6,000	1,800	1,500	1,200	4,200	4,400
Variation	(84%)	(83%)	(66%)	(61%)	(87%)	(91%)	(93%)	(74%)	(73%)
Net income impact for each 1% S&P/TSX additional decrease below this level	(21)	(24)	(21)	(20)	(18)	—	—	—	—
Impact on Solvency ratio (CARLI) ¹ of a sudden change in equity markets ⁴									
30% increase	—	2%	—	—	0%	(1%)	—	—	—
20% increase	—	0%	—	—	(2%)	(1%)	—	—	—
10% increase	—	0%	—	—	(2%)	(1%)	—	—	—
10% decrease	—	1%	—	—	1%	1%	—	—	—
20% decrease	—	2%	—	—	(1%)	2%	—	—	—
30% decrease	—	1%	—	—	(2%)	1%	—	—	—
Impact on net income to common shareholders of a sudden 10% decrease in equity markets (in \$M) ⁵	(34)	(34)	(31)	(30)	(26)	(31)	(33)	(32)	(32)
Interest Rate Sensitivity									
Impact on net income (in \$M)									
10 bps decrease in initial reinvestment rate (IRR)	1	4	0	3	0	2	(12)	(12)	(13)
10 bps decrease in ultimate reinvestment rate (URR)	(60)	(68)	(68)	(69)	(66)	(61)	(67)	(64)	(68)
Total	(59)	(64)	(68)	(66)	(66)	(59)	(79)	(76)	(81)
Impact on Solvency ratio (CARLI) ¹ of a sudden change in interest rates ^{6,7}									
50 bps increase	—	(2%)	—	—	(2%)	(2%)	—	—	—
25 bps increase	—	(1%)	—	—	(1%)	(1%)	—	—	—
25 bps decrease	—	2%	—	—	1%	1%	—	—	—
50 bps decrease	—	6%	—	—	2%	2%	—	—	—
Impact on Solvency ratio (CARLI) ¹ of a sudden change in corporate credit spread ⁷									
50 bps increase	—	2%	—	—	0%	2%	—	—	—
25 bps increase	—	1%	—	—	0%	1%	—	—	—
25 bps decrease	—	(1%)	—	—	0%	(1%)	—	—	—
50 bps decrease	—	(2%)	—	—	0%	(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.

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

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

³ Compared to actual levels of the index on the dates shown.

⁴ Capital sensitivities are disclosed once a year with Q4 results and in other quarters if judged necessary.

⁵ Impact on net income on a full-year basis.

⁶ Interest rate variation represents an immediate parallel change in interest rates (entire yield curve), at quarter-end.

⁷ Credit spread variation represents an immediate parallel change in credit spreads across the entire yield curve, at quarter-end.

SHARE INFORMATION

	2021	2020				2019				2020	2019
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual
<i>(In millions of dollars, unless otherwise indicated)</i>											
Common shares											
Share price											
High	\$70.36	\$60.50	\$50.42	\$50.30	\$76.23	\$71.81	\$61.51	\$54.20	\$52.07	\$76.23	\$71.81
Low	\$53.95	\$44.54	\$42.35	\$37.71	\$30.38	\$58.15	\$51.45	\$49.42	\$42.79	\$30.38	\$42.79
Close	\$68.33	\$55.18	\$46.35	\$45.46	\$44.24	\$71.33	\$60.29	\$53.34	\$49.28	\$55.18	\$71.33
Average share price	\$63.50	\$53.75	\$46.49	\$43.69	\$58.85	\$65.87	\$56.01	\$51.96	\$49.11	\$50.18	\$56.15
Number of common shares outstanding (in millions)											
At beginning of period	107.1	107.0	107.0	107.0	107.0	106.7	106.4	106.9	108.6	107.0	108.6
Common shares issued	0.2	0.1	—	—	0.1	0.3	0.6	0.2	0.1	0.2	1.2
Common shares repurchased and cancelled	—	—	—	—	(0.1)	—	(0.3)	(0.7)	(1.8)	(0.1)	(2.8)
At end of period	107.3	107.1	107.0	107.0	107.0	107.0	106.7	106.4	106.9	107.1	107.0
Weighted average number of common shares (in millions)											
Basic	107.1	107.0	107.0	107.0	107.0	106.8	106.4	106.7	107.6	107.0	106.9
Diluted	107.5	107.3	107.1	107.1	107.4	107.4	106.9	107.2	108.0	107.2	107.4
Dividends											
Common dividends paid	52.0	52.0	51.9	51.9	51.9	48.0	47.8	48.0	44.5	207.7	188.3
Dividend paid per common share in the period	\$0.4850	\$0.4850	\$0.4850	\$0.4850	\$0.4850	\$0.4500	\$0.4500	\$0.4500	\$0.4150	\$1.9400	\$1.7650
Dividend payout ratio ¹	30%	30%	24%	28%	131%	28%	26%	26%	29%	34%	27%
Dividend yield (annualized) ²	2.8%	3.5%	4.2%	4.3%	4.4%	2.5%	3.0%	3.4%	3.4%	3.5%	2.5%
Stock options											
Number of stock options outstanding (in millions)											
At beginning of period	2.0	2.0	2.1	2.1	2.0	2.3	2.8	3.0	2.9	2.0	2.9
Options granted	0.3	—	—	—	0.3	—	0.1	—	0.3	0.3	0.3
Options exercised, cancelled or expired	(0.3)	—	(0.1)	—	(0.2)	(0.3)	(0.6)	(0.2)	(0.2)	(0.3)	(1.3)
At end of period	2.0	2.0	2.0	2.1	2.1	2.0	2.3	2.8	3.0	2.0	2.0

¹ Dividend payout ratio: dividend per common share paid in the period divided by the basic earnings per common share in the period.

² Dividend yield: annualized dividend per common share paid in the period divided by the closing price of the common share at the end of the period.

SHARE INFORMATION (continued)

(In millions of dollars, unless otherwise indicated)	2021		2020				2019				2020	2019
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual	
Valuation												
Price-to-earnings multiple (trailing 12 months) ^{1,2} (in number of times)	12.8	9.7	8.1	8.4	8.3	11.7	9.7	8.9	8.5	9.7	11.7	
Market capitalization	7,334.8	5,907.8	4,960.8	4,864.6	4,734.1	7,629.9	6,432.0	5,676.5	5,270.2	5,907.8	7,629.9	
Book value per common share ³	\$56.95	\$55.52	\$54.50	\$53.23	\$52.29	\$51.99	\$50.73	\$49.63	\$48.73	\$55.52	\$51.99	
Market value to book value ratio (in number of times) ³	1.2	1.0	0.9	0.9	0.8	1.4	1.2	1.1	1.0	1.0	1.4	
Total payout ratio (trailing 12 months) ⁴	28%	35%	34%	38%	44%	48%	56%	55%	50%	35%	48%	
Preferred shares issued by a subsidiary												
Number of preferred shares outstanding (in thousands)												
Series B	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	
Series G	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
Series I	6,000	6,000	6,000	6,000	6,000	6,000	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	
Series G	250	250	250	250	250	250	250	250	250	250	250	
Series I	150	150	150	150	150	150	150	150	150	150	150	
Dividends paid per preferred share												
Series B	\$0.2875	\$0.2875	\$0.2875	\$0.2875	\$0.2875	\$0.2875	\$0.5750	\$0.2875	—	\$1.1500	\$1.1500	
Series G	\$0.2360625	\$0.2360625	\$0.2360625	\$0.2360625	\$0.2360625	\$0.2360625	\$0.4721250	\$0.2360625	—	\$0.9442500	\$0.9442500	
Series I	\$0.3000	\$0.3000	\$0.3000	\$0.3000	\$0.3000	\$0.3000	\$0.6000	\$0.3000	—	\$1.2000	\$1.2000	

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

² An adjustment to Q1-2019 and Q2-2019 figures has been performed in Q3-2019.

³ In Q4-2019, an adjustment has been made retroactively to January 1, 2018 transferring \$7 from retained earnings to the participating policyholders' accounts.

⁴ 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.

CONSOLIDATED INCOME STATEMENTS
INCOME STATEMENTS

	2021		2020			2019				2020	2019
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual
<i>(In millions of dollars, unless otherwise indicated)</i>											
Revenues											
Net premiums	3,375.0	3,080.0	3,247.6	2,113.4	2,755.1	2,417.0	2,189.5	1,982.7	2,354.8	11,196.1	8,944.0
Investment income											
Investment income	349.8	336.3	361.1	317.8	452.0	371.8	352.1	331.6	329.2	1,467.2	1,384.7
Variation in the market value of investment properties	(1.9)	(54.3)	(4.2)	(38.1)	(32.9)	43.5	11.0	(2.5)	(7.9)	(129.5)	44.1
Realized gains (losses) on assets available for sale	9.4	8.4	3.7	7.0	11.3	2.0	4.6	8.3	4.7	30.4	19.6
Change in fair value of financial assets designated at FVTPL	(3,898.0)	697.2	43.8	3,884.6	(1,267.2)	(707.4)	751.5	1,344.9	1,844.1	3,358.4	3,233.1
Change in provisions for losses	(9.5)	(12.8)	(8.9)	(16.3)	(20.2)	(11.4)	(9.4)	(10.8)	(8.3)	(58.2)	(39.9)
Total	(3,550.2)	974.8	395.5	4,155.0	(857.0)	(301.5)	1,109.8	1,671.5	2,161.8	4,668.3	4,641.6
Other revenues	506.2	463.9	455.4	415.7	440.1	428.4	416.2	424.5	410.4	1,775.1	1,679.5
Total	331.0	4,518.7	4,098.5	6,684.1	2,338.2	2,543.9	3,715.5	4,078.7	4,927.0	17,639.5	15,265.1
Policy benefits and expenses											
Net benefits and claims on contracts	2,449.2	1,397.1	1,331.5	1,082.7	1,478.8	1,433.3	1,265.0	1,316.9	1,377.0	5,290.1	5,392.2
Net transfer to segregated funds	410.5	1,038.2	622.2	523.5	688.4	234.6	261.9	195.5	224.5	2,872.3	916.5
Increase (decrease) in insurance contract liabilities	(3,819.6)	1,494.4	949.5	4,018.5	(702.3)	(283.0)	1,156.0	1,550.0	2,350.1	5,760.1	4,773.1
Increase (decrease) in investment contract liabilities	(14.0)	8.5	3.5	20.6	1.4	(1.0)	6.7	7.5	13.9	34.0	27.1
Decrease (increase) in reinsurance assets	54.2	(625.5)	(18.5)	(18.0)	(75.5)	68.1	(32.2)	(40.8)	(39.3)	(737.5)	(44.2)
Commissions	529.4	484.2	468.5	394.7	440.9	433.8	425.4	409.5	385.1	1,788.3	1,653.8
General expenses	437.7	465.0	422.0	368.9	412.0	410.7	347.0	353.1	361.1	1,667.9	1,471.9
Premium and other taxes	32.6	34.5	33.8	27.3	33.1	33.3	31.4	31.9	31.6	128.7	128.2
Financing charges	18.5	18.5	18.5	19.0	17.3	17.0	13.3	14.2	15.0	73.3	59.5
Total	98.5	4,314.9	3,831.0	6,437.2	2,294.1	2,346.8	3,474.5	3,837.8	4,719.0	16,877.2	14,378.1
Income before income taxes	232.5	203.8	267.5	246.9	44.1	197.1	241.0	240.9	208.0	762.3	887.0
Income taxes	58.6	31.4	48.5	52.0	(1.9)	31.3	51.9	53.9	50.5	130.0	187.6
Net income	173.9	172.4	219.0	194.9	46.0	165.8	189.1	187.0	157.5	632.3	699.4
Net income attributed to participating policyholders	(4.7)	(5.2)	(4.0)	6.7	1.3	(10.7)	—	(0.1)	0.7	(1.2)	(10.1)
Net income attributed to shareholders	178.6	177.6	223.0	188.2	44.7	176.5	189.1	187.1	156.8	633.5	709.5
Dividends on preferred shares issued by a subsidiary	5.7	5.7	5.5	5.5	5.6	5.3	5.4	5.7	5.7	22.3	22.1
Net income attributed to common shareholders	172.9	171.9	217.5	182.7	39.1	171.2	183.7	181.4	151.1	611.2	687.4

CONSOLIDATED COMPREHENSIVE INCOME STATEMENTS
COMPREHENSIVE INCOME

	2021		2020			2019				2020	2019
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual
<i>(In millions of dollars, unless otherwise indicated)</i>											
Comprehensive income statements											
Net income	173.9	172.4	219.0	194.9	46.0	165.8	189.1	187.0	157.5	632.3	699.4
Other comprehensive income (loss), net of income taxes											
Items that may be reclassified subsequently to net income											
Available for sale											
Unrealized gains (losses) arising during the period											
Bonds	(70.9)	10.9	16.8	105.3	(45.9)	(11.2)	(0.8)	28.7	65.5	87.1	82.2
Stocks	9.8	15.3	29.2	39.9	(72.0)	5.2	(0.3)	(8.6)	4.6	12.4	0.9
Other invested assets	(2.8)	—	—	—	—	—	—	—	—	—	—
Reclassification of losses (gains) included in net income											
Bonds	(6.2)	(8.8)	(2.0)	(6.3)	(6.9)	(2.2)	(3.8)	(6.9)	(2.5)	(24.0)	(15.4)
Stocks	0.1	2.7	(0.2)	0.4	(1.0)	0.8	0.1	(0.1)	0.4	1.9	1.2
Other invested assets	(0.4)	—	—	—	—	—	—	—	—	—	—
Change in unrealized gains (losses) on available for sale financial assets	(70.4)	20.1	43.8	139.3	(125.8)	(7.4)	(4.8)	13.1	68.0	77.4	68.9
Cash flow hedge	—	0.3	(10.2)	(48.6)	79.5	(20.7)	(0.4)	(1.0)	(0.8)	21.0	(22.9)
Currency translation account											
Unrealized gains (losses) on currency translation in foreign operations	(30.8)	(103.6)	(72.4)	(55.9)	128.4	(27.1)	16.1	(26.1)	(24.7)	(103.5)	(61.8)
Hedges of net investment in foreign operations	17.2	60.0	23.0	59.2	(110.2)	21.3	(13.1)	20.9	19.8	32.0	48.9
Items that will not be reclassified subsequently to net income											
Remeasurement of post-employment benefits	114.0	17.1	(14.5)	(125.5)	68.9	48.5	(12.7)	(35.2)	(21.8)	(54.0)	(21.2)
Total other comprehensive income (loss)	30.0	(6.1)	(30.3)	(31.5)	40.8	14.6	(14.9)	(28.3)	40.5	(27.1)	11.9
Comprehensive income	203.9	166.3	188.7	163.4	86.8	180.4	174.2	158.7	198.0	605.2	711.3
Comprehensive income attributed to shareholders	208.6	171.5	192.7	156.7	85.5	191.1	174.2	158.8	197.3	606.4	721.4
Comprehensive income attributed to participating policyholders	(4.7)	(5.2)	(4.0)	6.7	1.3	(10.7)	—	(0.1)	0.7	(1.2)	(10.1)

DETAIL OF ACCUMULATED OTHER COMPREHENSIVE INCOME

	2021		2020			2019				2020	2019
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual
<i>(In millions of dollars, unless otherwise indicated)</i>											
Accumulated other comprehensive income (loss)											
Balance at beginning of period	82.5	105.7	121.5	27.5	55.6	89.5	91.7	84.8	22.5	55.6	22.5
Transfer of post-employment benefits to retained earnings	(114.0)	(17.1)	14.5	125.5	(68.9)	(48.5)	12.7	35.2	21.8	54.0	21.2
Total other comprehensive income	30.0	(6.1)	(30.3)	(31.5)	40.8	14.6	(14.9)	(28.3)	40.5	(27.1)	11.9
Balance at end of period	(1.5)	82.5	105.7	121.5	27.5	55.6	89.5	91.7	84.8	82.5	55.6
Sources of accumulated other comprehensive income (loss)											
Bonds	58.5	135.6	133.5	118.7	19.7	72.5	85.9	90.5	68.7	135.6	72.5
Stocks	15.8	5.9	(12.1)	(41.1)	(81.4)	(8.4)	(14.4)	(14.2)	(5.5)	5.9	(8.4)
Other invested assets	(3.2)	—	—	—	—	—	—	—	—	—	—
Cash-flow hedge	(1.9)	(1.9)	(2.2)	8.0	56.6	(22.9)	(2.2)	(1.8)	(0.8)	(1.9)	(22.9)
Currency translation account	(70.7)	(57.1)	(13.5)	35.9	32.6	14.4	20.2	17.2	22.4	(57.1)	14.4
Total	(1.5)	82.5	105.7	121.5	27.5	55.6	89.5	91.7	84.8	82.5	55.6

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
FINANCIAL POSITION

	2021					2020			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<i>(In millions of dollars, unless otherwise indicated)</i>									
Assets									
Investments									
Cash and short-term investments	1,343.3	1,948.9	1,768.4	1,487.3	2,992.0	1,107.7	1,009.6	873.5	917.2
Bonds	30,541.8	32,098.6	32,279.0	29,964.1	27,708.3	27,508.5	27,767.3	26,291.8	25,229.3
Stocks	3,471.6	3,285.7	3,142.1	2,929.3	2,752.0	3,023.5	2,920.1	2,810.3	3,094.5
Mortgages and other loans	2,900.8	2,801.5	2,631.5	3,749.3	3,814.8	3,870.2	3,853.4	3,795.7	3,670.9
Derivative financial instruments	841.0	1,651.8	1,411.4	1,711.5	911.9	1,003.4	1,208.0	1,205.2	657.1
Policy loans	953.0	881.5	900.6	931.2	927.1	900.4	904.5	906.7	946.0
Other invested assets	562.5	563.0	565.0	546.5	433.4	428.9	420.1	375.9	337.1
Investment properties	1,884.8	1,916.1	1,989.0	1,988.8	2,021.7	2,076.6	1,773.8	1,728.8	1,720.5
Total investments	42,498.8	45,147.1	44,687.0	43,308.0	41,561.2	39,919.2	39,856.8	37,987.9	36,572.6
Other assets	4,531.7	3,261.2	3,339.5	3,471.3	2,666.8	2,192.6	2,359.2	2,232.6	2,758.8
Reinsurance assets	1,957.0	1,981.5	1,345.5	1,273.5	1,258.1	1,030.2	1,112.0	1,059.2	1,042.3
Fixed assets	380.2	389.8	392.5	402.6	398.9	394.1	396.7	402.5	415.1
Deferred income tax assets	40.9	37.6	40.5	64.3	66.3	27.9	28.1	28.5	27.9
Intangible assets	1,628.1	1,620.6	1,620.8	1,641.2	1,200.1	1,109.5	1,098.7	1,092.5	1,083.4
Goodwill	1,201.1	1,223.7	1,280.0	1,338.6	660.0	606.1	607.3	628.9	630.8
General fund assets	52,237.8	53,661.5	52,705.8	51,499.5	47,811.4	45,279.6	45,458.8	43,432.1	42,530.9
Segregated funds net assets	33,437.1	32,804.0	30,119.0	28,504.8	25,460.1	27,867.9	26,976.4	26,388.7	25,759.5
Total assets	85,674.9	86,465.5	82,824.8	80,004.3	73,271.5	73,147.5	72,435.2	69,820.8	68,290.4

FINANCIAL POSITION (continued)

<i>(In millions of dollars, unless otherwise indicated)</i>	2021		2020			2019			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Liabilities									
Insurance contract liabilities									
Provisions for future policy benefits	31,886.8	35,729.0	34,319.4	33,401.6	29,464.8	30,001.9	30,314.7	29,138.1	27,631.1
Provisions for dividends to policyholders and experience rating refunds	74.5	63.8	81.9	66.3	49.4	30.6	50.9	52.1	52.9
Benefits payable and provision for unreported claims	357.1	349.8	326.8	329.4	300.8	283.0	273.0	274.9	271.8
Policyholders' amounts on deposit	386.6	384.5	381.5	380.8	359.9	349.1	328.0	324.6	327.7
Total	32,705.0	36,527.1	35,109.6	34,178.1	30,174.9	30,664.6	30,966.6	29,789.7	28,283.5
Investment contract liabilities	552.3	575.1	565.1	653.5	632.2	629.5	628.0	618.2	627.8
Derivative financial instruments	967.8	569.1	778.1	858.9	1,755.9	454.8	387.7	262.0	237.1
Other liabilities	9,491.9	7,647.3	7,999.5	7,696.0	7,359.4	6,063.5	6,162.2	5,981.1	6,424.5
Deferred income tax liabilities	399.5	382.2	402.8	394.3	277.8	287.5	274.8	271.0	270.0
Debentures	1,449.3	1,448.7	1,448.2	1,448.1	1,447.9	1,049.7	1,049.5	651.5	901.5
General fund liabilities	45,565.8	47,149.5	46,303.3	45,228.9	41,648.1	39,149.6	39,468.8	37,573.5	36,744.4
Liabilities related to segregated funds net assets	33,437.1	32,804.0	30,119.0	28,504.8	25,460.1	27,867.9	26,976.4	26,388.7	25,759.5
Equity									
Participating policyholders' accounts ¹	36.0	40.7	46.0	50.0	43.3	41.9	52.6	52.6	52.7
Share capital									
Common shares	1,689.5	1,674.5	1,672.8	1,671.9	1,671.9	1,666.5	1,652.3	1,632.3	1,634.5
Preferred shares issued by a subsidiary	525.0	525.0	525.0	525.0	525.0	525.0	525.0	525.0	525.0
Total	2,214.5	2,199.5	2,197.8	2,196.9	2,196.9	2,191.5	2,177.3	2,157.3	2,159.5
Contributed surplus	17.5	18.8	18.5	18.1	17.2	17.5	19.1	22.5	22.5
Retained earnings ¹	4,405.5	4,170.5	4,034.5	3,884.1	3,878.4	3,823.5	3,651.5	3,534.5	3,467.0
Accumulated other comprehensive income	(1.5)	82.5	105.7	121.5	27.5	55.6	89.5	91.7	84.8
Total shareholders' equity	6,636.0	6,471.3	6,356.5	6,220.6	6,120.0	6,088.1	5,937.4	5,806.0	5,733.8
Total equity	6,672.0	6,512.0	6,402.5	6,270.6	6,163.3	6,130.0	5,990.0	5,858.6	5,786.5
Total liabilities and equity	85,674.9	86,465.5	82,824.8	80,004.3	73,271.5	73,147.5	72,435.2	69,820.8	68,290.4

¹ In Q4-2019, an adjustment has been made retroactively to January 1, 2018 transferring \$7 from retained earnings to the participating policyholders' accounts.

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 definition – Core earnings (loss) and financial measures based on core earnings (loss), including core EPS and core ROE, are non-IFRS financial measures used to better understand the capacity of the Company to generate sustainable earnings. Core earnings (loss) remove from reported earnings (loss) the impacts of the following items that create volatility in the Company's results under IFRS, or that are not representative of its underlying operating performance: 1) market-related impacts that differ from management's best estimate assumptions, which include impacts of returns on equity markets and changes in interest rates related to (i) management fees collected on assets under management or administration (MERS), (ii) universal life policies, (iii) the level of assets backing long-term liabilities, and (iv) the dynamic hedging program for segregated fund guarantees; 2) assumption changes and management actions; 3) charges or proceeds related to acquisition or disposition of a business, including acquisition, integration and restructuring costs; 4) amortization of acquisition-related finite life intangible assets; 5) non-core pension expense, that represents the difference between the asset return (interest income on plan assets) calculated using the expected return on plan assets and the IFRS prescribed pension plan discount rate; 6) specified items which management believes are not representative of the performance of the Company, including (i) material legal settlements and provisions, (ii) unusual income tax gains and losses, (iii) material impairment charges related to goodwill and intangible assets, and (iv) other specified unusual gains and losses. This core earnings definition is applicable as of January 1, 2021. However, the core results for prior periods that are presented for comparison purposes have also been calculated according to this definition.

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 iA Assurance 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 and include primary market sales of ETFs.
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.
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: 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 MCCR), 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 (loss)* represent the difference between the expected profit on in-force and the realized profit. *Impact of new business (strain)* 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.