

Quebec City, July 29, 2021

iA Financial Group Reports Solid Second Quarter Results

Robust earnings growth driven by very strong sales, as well as favourable experience and market conditions

SECOND QUARTER HIGHLIGHTS – iA Financial Corporation

- Core EPS¹ of \$2.29 (+34% YoY), above guidance (\$1.95 to \$2.10), and reported EPS of \$2.15 (+26% YoY)
- Core ROE^{1,2} of 14.2%, above guidance (12.5% to 14.0%), and reported ROE² of 13.2%
- Record quarterly net income attributed to common shareholders of \$231 million
- Premiums and deposits above \$3.9 billion (+47% YoY) and AUM/AUA of \$210.5 billion (+16% YoY)
- Solvency ratio of 130% and leverage ratio of 23.6% at June 30, 2021
- Book value per common share of \$59.02, up 4% during the second quarter and up 11% over twelve months

The results presented below are for iA Financial Corporation Inc. (“iA Financial Corporation” or the “Company”), the holding company that owns 100% of the common shares of Industrial Alliance Insurance and Financial Services Inc. (“iA Insurance”). The results for iA Insurance are presented in a separate section on page 5 of this document.

For the second quarter ended June 30, 2021, iA Financial Corporation (TSX: IAG) reports net income attributed to common shareholders of \$231 million, diluted earnings per common share (EPS) of \$2.15 and return on common shareholders’ equity (ROE) for the trailing twelve months of 13.2%. Core EPS was \$2.29 and core ROE for the trailing twelve months was 14.2%.

“Our second quarter was marked by excellent profitability as we continued to deliver value to our shareholders by growing our book value by 11% over the last twelve months. We also recorded very strong sales in almost all lines of business. Individual insurance and wealth management continued to show solid momentum, while dealer services in Canada and the U.S. recorded significant growth, demonstrating our strength in this business segment,” commented Denis Ricard, President and CEO of iA Financial Group. “At the same time, several projects that will shape iA’s future success are progressing well, including the integration of IAS, the execution of our digital strategy, and our shift to a hybrid and flexible work model for an improved employee experience.”

“We had very strong earnings in the second quarter, with core EPS up 34% year over year. In addition to favourable market-related experience, this strong performance was driven by solid policyholder experience gains from almost all of our business units, including both dealer services divisions (Canada and the U.S.), iA Auto and Home, individual wealth management and individual insurance,” added Jacques Potvin, Executive Vice-President, CFO and Chief Actuary. “As a result, our financial position at the end of the quarter was even stronger, with a solvency ratio of 130% at June 30, 2021, supported by strong and continued organic capital generation. Moreover, our solid performance over the past twelve months has resulted in the expansion of our core ROE, which now exceeds our target range.”

Earnings Highlights	Second quarter			Year-to-date at June 30		
	2021	2020	Variation	2021	2020	Variation
Net income attributed to shareholders (in millions)	\$236	\$188	26%	\$415	\$233	78%
Less: dividends on preferred shares issued by a subsidiary (in millions)	\$5	\$5	—	\$11	\$11	—
Net income attributed to common shareholders (in millions)	\$231	\$183	26%	\$404	\$222	82%
Weighted average number of common shares (in millions, diluted)	107.8	107.1	1%	107.7	107.2	—
Earnings per common share (diluted)	\$2.15	\$1.71	26%	\$3.76	\$2.07	82%
Core earnings per common share (diluted) ¹	\$2.29	\$1.71	34%	\$4.08	\$3.20	28%

Other Financial Highlights	June 30, 2021	March 31, 2021	December 31, 2020	June 30, 2020
Return on common shareholders’ equity ²	13.2%	12.7%	10.6%	10.5%
Core return on common shareholders’ equity ^{1,2}	14.2%	13.6%	13.3%	13.1%
Solvency ratio	130%	128%	130%	124%
Book value per share	\$59.02	\$56.95	\$55.52	\$53.23
Assets under management and administration (in billions)	\$210.5	\$201.3	\$197.5	\$181.0

This news release presents non-IFRS measures. See “Non-IFRS Financial Information” at the end of this news release for further information.

¹ ROE, core ROE and core EPS are non-IFRS measures. See “Reported EPS and Core EPS Reconciliation” and “Non-IFRS Financial Information” in this news release.

² On a trailing twelve month basis.

The results of iA Financial Corporation for the second quarter of 2021 are presented on a consolidated basis with those of its subsidiaries, including iA Insurance. Unless otherwise indicated, the results presented in this document are compared with those from the corresponding period last year.

Profitability – For the second quarter ended June 30, 2021, iA Financial Corporation reports diluted earnings per common share (EPS) of \$2.15, up 26% from \$1.71 in the second quarter of last year. Diluted core EPS for the second quarter of 2021 was \$2.29, a year-over-year increase of 34% and above market guidance of \$1.95 to \$2.10. The table below reconciles the Company’s reported and core earnings. Core earnings is a non-IFRS measure that represents management’s view of the Company’s capacity to generate sustainable earnings.

Reported Earnings and Core Earnings Reconciliation ³								
(in millions of dollars after tax unless otherwise indicated)	Second quarter				Year-to-date at June 30			
	Earnings	EPS (diluted basis)			Earnings	EPS (diluted basis)		
		2021	2021	2020		Variation	2021	2020
Reported earnings	231	\$2.15	\$1.71	26%	404	\$3.76	\$2.07	82%
Core earnings remove from reported earnings the impacts of the following items:								
Market-related impacts that differ from management’s best estimate assumptions	(10)	(\$0.09)	(\$0.10)		(14)	(\$0.13)	\$0.70	
Assumption changes and management actions	—	—	—		—	—	—	
Charges or proceeds related to acquisition or disposition of a business, including acquisition, integration and restructuring costs	6	\$0.06	(\$0.02)		10	\$0.09	(\$0.02)	
Amortization of acquisition-related finite life intangible assets	14	\$0.12	\$0.07		27	\$0.25	\$0.14	
Non-core pension expense	5	\$0.05	\$0.05		11	\$0.11	\$0.09	
Other specified unusual gains and losses	—	—	—		—	—	\$0.22	
Core earnings	246	\$2.29	\$1.71	34%	438	\$4.08	\$3.20	28%

The following items presented in the “Sources of Earnings” section of the Company’s Financial Information Package explain the differences between management’s expectations and reported earnings for the three-month period ended June 30, 2021. This information contains non-IFRS measures. All figures are after tax unless otherwise indicated.

The Company reported net income attributed to common shareholders of \$231 million for the second quarter of 2021. This result, as analyzed according to sources of earnings, can be explained as follows:

Expected profit on in-force – At \$232 million pre-tax, expected profit on in-force for the second quarter of 2021 was up 31% or \$55 million year over year. This growth is mainly explained by the addition of expected profit from the IAS acquisition in the US Operations sector and by the favourable impact of financial markets and high net fund entries in the wealth sectors.

Experience gains (losses) versus expected profit – For the second quarter of 2021, the Company reports a total net experience gain of \$0.29 EPS (\$32 million) versus management expectations. The following experience results are worthy of note:

- **Additional protections in reserves for pandemic uncertainty** – Overall, the provision for additional mortality arising from the pandemic was sufficient during the second quarter. In the US, mortality claims were lower than the provision release and the excess provision (equivalent to \$0.02 EPS) remains in the reserves for potential use in the future. In Canada, mortality claims were slightly higher than the provision release, resulting in a \$0.01 EPS experience loss. As for adverse policyholder behaviour, the additional protection remains intact as no adverse experience was recorded during the quarter.
- **Individual Insurance** recorded a gain of \$0.12 EPS (\$13 million) in the second quarter. The market-related variations had a positive impact on universal life insurance policies (+\$0.08 EPS) and an unfavourable impact on the level of assets backing individual insurance reserves (-\$0.02 EPS). Morbidity experience for disability and critical illness protections was favourable (+ \$0.04 EPS) while mortality was slightly higher than expected, as mentioned above (-\$0.01 EPS), and lapse experience was slightly unfavourable (-\$0.01 EPS). Also, the PPI distribution affiliate generated stronger profits (+\$0.02 EPS) and other small favourable deviations from plan were recorded (+\$0.02 EPS).

³ For the definition of core earnings, refer to the “Non-IFRS Financial Information” section on page 6. 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.

- *Individual Wealth Management* reported favourable experience in the second quarter with a gain of \$0.08 EPS (\$9 million). Profits from segregated funds, iA Clarington (mutual funds) and distribution affiliates were higher than expected, driven by high net sales and favourable market conditions since the beginning of 2021 (+\$0.05 EPS). In addition, market-related variations had a favourable impact on investment fund income (MERs) (+\$0.01 EPS) and the segregated fund hedging program generated a gain (+\$0.02 EPS).
- *Group Insurance* recorded a gain of \$0.06 EPS (\$7 million) for the quarter. Experience in the Employee Plans division was lower than expected (-\$0.02 EPS) mainly due to unfavourable mortality experience. In the Dealer Services division, P&C experience was favourable (+\$0.03 EPS) and car loans generated a gain from strong portfolio performance (better credit experience) (+ \$0.03 EPS) and the partial release of pandemic-related provisions (+\$0.02 EPS) to reflect more favourable experience than initially anticipated. In the Special Markets division, results were as expected.
- *Group Savings and Retirement* reported an experience loss of \$0.01 EPS (\$1 million), essentially due to higher expenses.
- *US Operations* reported experience above expectations for the quarter with a gain of \$0.04 EPS (\$4 million). In the Individual Insurance division, results were good, partly due to favourable lapse experience (+\$0.02 EPS). Results were also above expectations in the Dealer Services division, which was favourably impacted by strong sales and, to a lesser extent, good claims experience (+\$0.05 EPS). Also, IAS integration costs of \$0.06 EPS were higher than expected, mainly due to the accelerated integration of corporate functions (-\$0.03 EPS).

Impact of new business (strain) in Individual Insurance and US Operations – New business for the two business lines generated a gain at issue of \$1 million pre-tax, or -1% of sales for the quarter. This result is within the -5% to 10% guidance range and is more favourable than expected (+\$0.01 EPS) because of the high sales volume.

Income on capital – Net income earned on the Company’s surplus funds, which includes income from the iA Auto and Home affiliate (iAAH), was \$29 million before tax for the second quarter, representing a gain of \$0.06 EPS versus management expectations. This is explained by experience at iAAH, which was once again much more favourable than expected, mainly due to lower claims ratios for both auto and home insurance (+\$0.09 EPS). Also, an IT software writedown was recorded in the normal course of business (-\$0.03 EPS).

Income taxes – The effective tax rate for the quarter was 22.6%, just above the 20% to 22% guidance range. The tax expense was higher than expected and represents a negative impact of \$0.02 EPS due to the true-up for the 2020 tax period, which was partially offset by lower taxation from iA Insurance’s status as a multinational insurer (CIF) and other small favourable deviations.

Business growth – The Company ended the second quarter of 2021 with strong sales across all lines of business. In Canada, we continue to strengthen our market position in all three of our “Foundation”⁴ businesses of individual insurance, individual wealth management and dealer services. In addition to their “Support”⁴ of branding and synergies with other businesses, Group Savings and iA Auto and Home also had excellent sales growth. Lastly, solid sales results in the U.S. demonstrate the “Expansion”⁴ potential of both the Individual Insurance and Dealer Services divisions.

- *Premiums and deposits* exceeded \$3.9 billion in the second quarter, a significant increase of 47% year over year. This strong growth was supported by all lines of business, particularly Individual Wealth Management and Group Savings and Retirement.
- *Assets under management and administration* totalled \$210.5 billion at the end of the second quarter, up 16% from a year earlier and up 5% during the quarter, primarily due to solid net fund entries and equity market growth.
- In *Individual Insurance*, strong momentum continued in the second quarter with total sales of \$73 million, a substantial year-over-year increase of 38%. This positive result stems in part from the strength of all our distribution networks, the improvement of our product offering in 2020 and the excellent performance of our digital tools.
- In *Individual Wealth Management*, guaranteed product sales for the quarter were up from last year at \$220 million (+26%). Gross and net sales of both segregated and mutual funds had another excellent quarter. Gross segregated funds generated strong sales of \$1,046 million (+75%) and impressive net sales of \$673 million, an increase of \$256 million from a year earlier. The Company continued to strengthen its position in the industry, ranking first in year-to-date gross and net segregated fund sales as at May 31, 2021. As for gross mutual fund sales, they were up significantly year over year at \$749 million (+48%), and net sales recorded solid net inflows at \$272 million, an increase of \$222 million from the second quarter of 2020.

⁴ At the Investor Event held on March 10, 2021, the Company presented its business mix under three main categories: Foundation, Support and Expansion. For more information, please refer to the Company’s website at <http://ia.ca/investorrelations> under *Events and presentations/2021 Investor Event*.

- The *Group Insurance* business line is made up of three divisions. In the Employee Plans division, sales totalled \$14 million compared to \$23 million in the same quarter last year. Note that sales in this division vary considerably from one quarter to another based on the size of the contracts sold. In the Dealer Services division, total sales of \$312 million were significantly up from 2020 (+64%). By product, creditor insurance sales were \$70 million (+49%), P&C sales were \$94 million (+74%) and car loan originations totalled \$148 million (+66%). Lastly, sales in the Special Markets division amounted to \$44 million compared to \$45 million a year earlier, with a rebound in travel medical sales expected in the latter half of 2021.
- In *Group Savings and Retirement*, total second quarter sales amounted to \$675 million, significantly up from a year earlier (+85%), mainly supported by accumulation product sales with the signing of several new groups with sizable assets during the quarter and, to a lesser extent, by very good insured annuity sales.
- In *US Operations*, Individual Insurance sales totalled US\$37 million (+12%) in the second quarter and Dealer Services sales totalled US\$285 million, significantly up from a year earlier (+113%)⁵ due to the addition of IAS's sales, more pronounced synergies between IAS and DAC and resilient car sales during the second quarter.
- At *iA Auto and Home*, good business growth continued with direct written premiums up 11% year over year in the second quarter at \$139 million.

Financial position – At June 30, 2021, the solvency ratio was 130%, compared with 128% at March 31, 2021 and 124% a year earlier. This is above the Company's target range of 110% to 116%. The increase of two percentage points during the quarter essentially stems from the positive impact of market-related variations and the contribution from organic capital generation. In the second quarter, the Company organically generated approximately \$100 million in additional capital. The leverage ratio⁶ at June 30, 2021 was 23.6%, compared to 24.3% at March 31, 2021.

Book value – The book value per common share was \$59.02 at June 30, 2021, up 4% from the previous quarter and up 11% over twelve months.

Dividend – In accordance with regulators' instructions not to increase dividends on common shares due to the COVID-19 pandemic, the Board of Directors has approved a quarterly dividend of \$0.4850 per share, the same as that announced the previous quarter, on the outstanding common shares of iA Financial Corporation. This dividend is payable on September 15, 2021 to the shareholders of record at August 20, 2021.

Dividend Reinvestment and Share Purchase Plan – Registered shareholders wishing to enrol in iA Financial Corporation's Dividend Reinvestment and Share Purchase Plan (DRIP) so as to be eligible to reinvest the next dividend payable on September 15, 2021 must ensure that the duly completed form is delivered to Computershare no later than 4:00 p.m. on August 13, 2021. Enrolment information is provided on iA Financial Group's website at <http://ia.ca/investorrelations>, under the *Dividends* section. Common shares issued under iA Financial Corporation's DRIP will be purchased on the secondary market and no discount will be applicable.

Annual Shareholder Meeting and new directors – On Thursday, May 6, 2021, the Annual Shareholder Meeting of iA Financial Corporation and the Annual Meeting of the Sole Common Shareholder and of the Participating Policyholders of iA Insurance were held virtually. During these events, Suzanne Rancourt and William F. Chinery were elected as directors to the boards of iA Financial Corporation and iA Insurance.

The Capitale-Nationale Region Enterprise Vaccination Hub – iA Financial Group joined forces with a dozen other companies to set up a vaccination hub in the Quebec City region. The Capitale-Nationale Region Enterprise Vaccination Hub opened on May 25, 2021 and is managed by iA Financial Group. This vaccination hub is open to the population of the Capitale-Nationale region, including some 15,000 employees of the participating companies and the members of their immediate family (18 and older), while respecting the order of priority set by the Quebec government. In total, it is expected that the Capitale-Nationale Region Enterprise Hub will have the capacity to vaccinate approximately 25,000 people (50,000 doses of vaccine).

iA Financial Group among 2021's Best 50 Canadian Corporate Citizens – On June 30, 2021, iA Financial Group's approach to sustainability was recognized when iA was named one of Corporate Knights' Best 50 Canadian Corporate Citizens for the first time. Since 2002, Corporate Knights has evaluated Canadian companies with annual revenue of over \$1 billion on key performance indicators related to ESG factors, such as board and executive gender diversity and energy, carbon, waste and waste productivity.

⁵ Q2/2020 figures were restated to account for IAS Parent Holdings, Inc. sales from May 22 to June 30, 2020 (US\$27M) previously included in Q3/2020 sales.

⁶ Debentures and preferred shares issued by a subsidiary/capital structure.

Litigation – On March 10, 2021, the Saskatchewan Court of Appeal ruled in favour of iA Financial Group in the litigation between the Company and Ituna Investment LP (“Ituna”). Ituna sought to make unlimited deposits into a universal life insurance contract that it purchased from a policyholder. In its decision, the Court of Appeal found that Ituna’s position was inconsistent with the language and the purpose of the contract. iA Financial Group has always maintained that the position taken by Ituna was legally unfounded. Ituna is seeking leave from the Supreme Court of Canada to appeal the entire decision of the Court of Appeal. A decision on Ituna’s application for leave to appeal could be delivered by the end of this year or in early 2022.

Subsequent to the second quarter of 2021:

- **Merger of FundEX Investments Inc. and Investia Financial Services Inc.** – On July 5, 2021, iA Financial Group announced the merger of FundEX Investments Inc. and Investia Financial Services Inc., effective July 1, 2021. The merger unifies iA Wealth’s Mutual Fund Dealers Association (MFDA) division under the Investia brand and solidifies its position as a leading Canadian provider of independent, holistic wealth management solutions. The merger has no significant impact for advisors and clients, with no interruption to normal business activities.
- **Board of Directors** – On July 8, 2021, iA Financial Group announced the appointment of Ludwig W. Willisch to the boards of directors of iA Financial Corporation Inc. and Industrial Alliance Insurance and Financial Services Inc. Mr. Willisch also serves on the board of directors for certain U.S. subsidiaries of iA Financial Group.

Market guidance for 2021 for iA Financial Corporation

- Core earnings per common share: target range of \$7.60 to \$8.20
- Core return on common shareholders’ equity (ROE): target range of 12.5% to 14.0%
- Solvency ratio: target range of 110% to 116%
- Impact of new business (strain): annual target of 2% of sales with quarterly range of -5% to 10%
- Organic capital generation: target range of \$275 million to \$325 million
- Effective tax rate: target range of 20% to 22%
- Dividend payout ratio: range of 25% to 35% with the target being the midpoint

The market guidance provided above is a forecast. Please refer to the “Forward-looking Statements” section at the end of this news release for more information.

SECOND QUARTER HIGHLIGHTS – iA Insurance

Profitability – In the second quarter of 2021, iA Insurance recorded net income attributed to its sole common shareholder, iA Financial Corporation, of \$232 million, an increase of \$39 million over \$193 million a year earlier.

Financial position – The solvency ratio of iA Insurance was 120% at June 30, 2021, compared with 116% at the end of the previous quarter and 121% a year earlier. This is above iA Insurance’s target range of 110% to 116%.

Dividend – iA Insurance paid no dividend in the second quarter of 2021. For the third quarter of 2021, the Board of Directors of iA Insurance approved no dividend to its sole common shareholder, iA Financial Corporation. As a result, no dividend should be paid by iA Insurance to iA Financial Corporation during the third quarter.

iA Insurance						
Earnings Highlights	Second quarter			Year-to-date at June 30		
(In millions of dollars, unless otherwise indicated)	2021	2020	Variation	2021	2020	Variation
Net income attributed to shareholders	237	198	20%	414	245	69%
Less: dividends on preferred shares	5	5	—	11	11	—
Net income attributed to common shareholders	232	193	20%	403	234	72%
Other Financial Highlights						
(In millions of dollars, unless otherwise indicated)	June 30, 2021	March 31, 2021	December 31, 2020	June 30, 2020		
Total capital	6,143	5,861	5,888	5,956		
Solvency ratio	120%	116%	122%	121%		

GENERAL INFORMATION

Non-IFRS Financial Information

iA Financial Corporation and iA Insurance (collectively “iA Financial Group”) report their financial results and statements in accordance with International Financial Reporting Standards (IFRS). iA Financial Group 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 companies’ 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. iA Financial Group believes that these non-IFRS financial measures provide additional information to better understand iA Financial Group’s financial results and assess its growth and earnings potential, and that they facilitate comparison of the quarterly and full-year results of iA Financial Group’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. iA Financial Group 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.

The analysis of profitability according to the sources of earnings presents sources of income in compliance with the guideline issued by the Office of the Superintendent of Financial Institutions and developed in co-operation with the Canadian Institute of Actuaries. This analysis is intended to be a supplement to the disclosure required by IFRS and to facilitate the understanding of iA Financial Corporation’s financial position by both existing and prospective stakeholders to better form a view as to the quality, potential volatility and sustainability of earnings. It provides an analysis of the difference between actual income and the income that would have been reported had all assumptions at the start of the reporting period materialized during the reporting period. It sets out the following measures: expected profit on in-force business (representing the portion of the consolidated net income on business in force at the start of the reporting period that was expected to be realized based on the achievement of best-estimate assumptions); experience gains and losses (representing gains and losses that are due to differences between the actual experience during the reporting period and the best-estimate assumptions at the start of the reporting period); impact of new business (strain) (representing the point-of-sale impact on net income of writing new business during the period); changes in assumptions, management actions and income on capital (representing the net income earned on iA Financial Corporation’s surplus funds); and any other items not attributed to operating profit.

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:

- a) 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;
- b) assumption changes and management actions;
- c) charges or proceeds related to acquisition or disposition of a business, including acquisition, integration and restructuring costs;
- d) amortization of acquisition-related finite life intangible assets;
- e) 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;
- f) 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.

Non-IFRS financial measures published by iA Insurance include, but are not limited to: return on common shareholders’ equity (ROE), sales, assets under management (AUM), assets under administration (AUA), capital and solvency ratio.

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

Forward-looking Statements

This news release may contain statements relating to strategies used by iA Financial Group or statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "may", "will", "could", "should", "would", "suspect", "expect", "anticipate", "intend", "plan", "believe", "estimate", and "continue" (or the negative thereof), as well as words such as "objective", "goal", "guidance", and "forecast" or other similar words or expressions. Such statements constitute forward-looking statements within the meaning of securities laws. In this news release, forward-looking statements include, but are not limited to, information concerning possible or assumed future operating results. These statements are not historical facts; they represent only expectations, estimates and projections regarding future events and are subject to change, particularly in light of the ongoing and evolving COVID-19 pandemic, its effect on the global economy and its uncertain impact on our operations.

Although iA Financial Group believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements. Factors that could cause actual results to differ materially from expectations include, but are not limited to: general business and economic conditions; level of competition and consolidation; changes in laws and regulations, including tax laws; liquidity of iA Financial Group, including the availability of financing to meet existing financial commitments on their expected maturity dates when required; accuracy of information received from counterparties and the ability of counterparties to meet their obligations; accuracy of accounting policies and actuarial methods used by iA Financial Group; insurance risks such as mortality, morbidity, longevity and policyholder behaviour, including the occurrence of natural or man-made disasters, pandemic diseases (such as the current COVID-19 pandemic) and acts of terrorism.

Potential impacts of the COVID-19 pandemic – Since March 2020, the COVID-19 pandemic has had major, unprecedented implications for both society and the economy. The overall impact of the COVID-19 pandemic is still uncertain and depends on many factors, such as the progression of the virus, the emergence of new variants, the duration of the pandemic, potential treatments and therapies, the availability of vaccines, the effectiveness of government measures to slow the virus's spread and the impact of those measures on the economy. As a result, we cannot accurately predict the total bearing the pandemic will have, but the impact on iA Financial Corporation's business and financial results could be material. However, despite the short-term negative impacts of the pandemic on its results, iA Financial Corporation remains financially solid. In addition, iA Financial Corporation's business continuity protocol has continued, ensuring that the quality of service clients receive is similar to or better than before the pandemic and enabling employees and advisors to continue to work safely and securely.

Additional information about the material factors that could cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in the "Risk Management" section of the Management's Discussion and Analysis for 2020, the "Management of Risks Associated with Financial Instruments" note to the audited consolidated financial statements for the year ended December 31, 2020, and elsewhere in iA Financial Group's filings with the Canadian Securities Administrators, which are available for review at sedar.com.

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

Documents Related to the Financial Results

For a detailed discussion of iA Financial Corporation's and iA Insurance's second quarter results, investors are invited to consult the Management's Discussion and Analysis for the quarter ended June 30, 2021, the related financial statements and accompanying notes and the Financial Information Package for each company, all of which are available on the iA Financial Group website at ia.ca under *About iA*, in the *Investor Relations/Financial Reports* section and on SEDAR at sedar.com.

Conference Call

Management will hold a conference call to present iA Financial Group's second quarter results on Thursday, July 29, 2021 at 2:00 p.m. (ET). The dial-in number is 416-641-6712 or 1-800-768-6727 (toll-free within North America). A replay of the conference call will be available for a one-week period, starting at 4:30 p.m. on Thursday, July 29, 2021. To access the conference call replay, dial 1-800-558-5253 (toll-free) and enter access code 21995222. A webcast of the conference call (listen-only mode) will also be available on the iA Financial Group website at ia.ca.

About iA Financial Group

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).

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