iA Financial Group

News Release

Quebec City, May 12, 2022

iA Financial Group Reports First Quarter Results

Robust financial position and continued strong sales momentum

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 6 of this document.

This news release presents non-IFRS measures used by the Company when evaluating its results and measuring its performance. These non-IFRS measures are not standardized financial measures and are not included in the financial statements. These measures are: return on common shareholders' equity (ROE), core earnings per common share (core EPS), core ROE, different payout ratios, organic capital generation, potential capital deployment, different measures of business growth, components or measures of capital, solvency, sources of earnings, sensitivities and car loan portfolio. See the "Non-IFRS and Additional Financial Measures" section at the end of this document for relevant information about such measures.

FIRST QUARTER HIGHLIGHTS – iA Financial Corporation

- Solid business growth for individual insurance, individual wealth management and both dealer services divisions
- Reported ROE[†,1] of 12.8%, and core ROE[†] of 14.1%, in the middle of guidance (13 to 15%)
- Reported EPS of $1.40, and core EPS[†] of $1.79 – Guidance for core EPS was $1.85 to $2.00
- Robust solvency ratio[†] of 132% at March 31, 2022 and good organic capital generation[†] of $100 million
- Book value per common share[2] of $61.04, up 7% year over year
- Increased confidence in our near-neutral to favourable IFRS 9 and IFRS 17 transition outlook

For the first quarter ended March 31, 2022, iA Financial Corporation (TSX: IAG) reports net income attributed to common shareholders of $151 million, diluted earnings per common share (EPS) of $1.40 and return on common shareholders' equity (ROE) for the trailing twelve months of 12.8%. Core EPS[†] was $1.79 and core ROE[†] for the trailing twelve months was 14.1%. Premiums and deposits[†] amounted to $4.4 billion during the quarter, similar to the record achieved for the same period in 2021. Assets under management and administration[†] ended the quarter at $213.9 billion, a year-over-year increase of 6%.

"Our sales, most notably in individual insurance and segregated funds, have been strong since the beginning of the year, building on the momentum of 2021. Partly due to the success of our participating products, we continue to increase the proportion of capital-light products, which accounted for more than 85% of new individual insurance sales in the first quarter," commented Denis Ricard, President and CEO of iA Financial Group. "Our financial solidity and the strength of our distribution networks are driving forces for the success of our growth strategy. Regarding the macroeconomic environment, rising long-term rates should be a clear positive for long-term shareholder value. Lastly, we cannot remain silent in the face of the current geopolitical situation, which prompted us to join an initiative in support of Ukrainian immigrants affected by the conflict."

"While Q1 profitability did not meet our expectations, several fundamentals, such as our robust balance sheet, strong capital position and good organic capital generation, provide a stable foundation to pursue our growth strategy in an environment of macroeconomic variations and high inflation," added Jacques Potvin, Executive Vice-President, CFO and Chief Actuary. "In addition, in light of first quarter developments, we are pleased to reiterate our neutral to favourable impact outlook for the transition to IFRS 9 and IFRS 17 for the key financial indicators."

Earnings Highlights	First quarter		
	2022	2021	Variation
Net income attributed to shareholders (in millions)	$157	$179	(12%)
Less: dividends on preferred shares issued by a subsidiary (in millions)	$6	$6	—
Net income attributed to common shareholders (in millions)	$151	$173	(13%)
Weighted average number of common shares (in millions, diluted)	108.1	107.5	1%
Earnings per common share (diluted)	$1.40	$1.61	(13%)
Core earnings per common share (diluted)[1,†]	$1.79	$1.79	—

Other Financial Highlights	March 31, 2022	December 31, 2021	March 31, 2021
Return on common shareholders' equity[†]	12.8%	13.2%	12.7%
Core return on common shareholders' equity[1,†]	14.1%	14.2%	13.6%
Solvency ratio[†]	132%	134%	128%
Book value per share[2]	$61.04	$62.01	$56.95
Assets under management and administration[†] (in billions)	$213.9	$221.2	$201.2

1 On a trailing twelve month basis.

2 Book value per common share is a financial measure calculated by dividing the common shareholders' equity by the number of common shares outstanding at the end of the period; all components of this measure are IFRS measures.

† This item is a non-IFRS measure; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.

The results of iA Financial Corporation for the first quarter of 2022 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 first quarter ended March 31, 2022, iA Financial Corporation reports diluted earnings per common share (EPS) of $1.40 compared to $1.61 for the same quarter of 2021. Diluted core EPS† of $1.79 for the first quarter of 2022 is similar to last year's result.

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

(in millions of dollars after tax unless otherwise indicated)	First quarter			
	Earnings	EPS (diluted basis)		
	2022	2022	2021	Variation
Reported earnings	151	$1.40	$1.61	(13%)
Core earnings remove from reported earnings the impacts of the following items:†				
Market-related impacts that differ from management's best estimate assumptions	18	$0.17	($0.04)	
Assumption changes and management actions	—	—	—	
Charges or proceeds related to acquisition or disposition of a business, including acquisition, integration and restructuring costs	4	$0.04	$0.03	
Amortization of acquisition-related finite life intangible assets	15	$0.14	$0.13	
Non-core pension expense	5	$0.04	$0.06	
Other specified unusual gains and losses	—	—	—	
Core earnings†	193	$1.79	$1.79	—

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 March 31, 2022. This information contains non-IFRS measures. All figures are after tax unless otherwise indicated.*

The Company reported net income attributed to common shareholders of $151 million for the first quarter of 2022. This result, as analyzed according to sources of earnings, can be explained as follows:

***Expected profit on in-force*† –** At $225 million pre-tax, expected profit on in-force (EPIF) for the first quarter of 2022 was up 10% or $21 million year over year. This strong increase in EPIF is mainly the result of organic growth, including high net fund entries during the last twelve months and the favourable impact of financial markets in the wealth sectors.

***Experience gains (losses)*† *versus expected profit* –** For the first quarter of 2022, the Company reports a total net experience loss of $0.30 EPS ($33 million) versus management expectations. The following experience results are worthy of note:

- *Additional protections in reserves for pandemic uncertainty:* In the U.S., additional mortality claims were lower than the provision available for the first quarter and the excess provision was added to the reserves available for potential use in the future. In Canada, additional mortality claims were higher than the provision available for the first quarter. This resulted in an experience loss in the Individual Insurance sector (as mentioned below). The additional protection in the reserves for adverse policyholder behaviour remains intact as no adverse experience was recorded during the quarter.

- *Individual Insurance* recorded a loss of $0.15 EPS (-$16 million) in the first quarter. The market-related variations had a negative impact on universal life insurance policies (-$0.08 EPS) and, to a lesser extent, on the level of assets backing individual insurance reserves (-$0.01 EPS). Policyholder experience generated a loss (-$0.01 EPS) during the quarter as experience was favourable for morbidity but unfavourable for mortality. Policyholder behaviour was unfavourable, mainly due to lower excess premiums and the exercise of contractual options by customers (-$0.03 EPS). Also, expenses were higher than expected (-$0.01 EPS) and other small unfavourable deviations from plan were recorded (-$0.01 EPS).

† This item is a non-IFRS measure; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.

- *Individual Wealth Management* reported a loss of $0.07 EPS ($8 million) in the first quarter due to market-related variations, which had an unfavourable impact on investment fund income (MERs) (-$0.03 EPS) and on the result of the segregated fund hedging program, mainly because of high market volatility (-$0.05 EPS). Finally, a favourable sales mix for segregated funds generated a gain (+$0.01 EPS).

- *Group Insurance* recorded a loss of $0.06 EPS ($7 million) for the quarter. The sector's expenses were higher than expected (-$0.03 EPS), mainly due to higher professional services in the context of talent scarcity and high inflation. Experience in the Employee Plans division was unfavourable for mortality (-$0.03 EPS), long-term disability (-$0.03 EPS) and dental claims (-$0.01 EPS). In the Dealer Services division, gains were recorded mainly due to favourable P&C claims (+$0.04 EPS) and good credit experience in the car loans portfolio (+$0.01 EPS). Lastly, Special Markets recorded a loss owing mostly to higher claims for travel insurance (-$0.01 EPS).

- *Group Savings and Retirement* reported a result in line with expectations as favourable longevity experience (+$0.03 EPS) was offset by higher expenses (-$0.01 EPS) and other miscellaneous items (-$0.02 EPS).

- *US Operations* performed below expectations for the quarter with a loss of $0.02 EPS ($2 million). In the Individual Insurance division, results were in line with expectations. In the Dealer Services division, results were lower than expected due to below-plan sales amid vehicle inventory shortages and a business mix that was less favourable than expected (-$0.03 EPS). Finally, IAS integration costs of $0.03 EPS were lower than expected (+ $0.01 EPS).

Impact of new business (strain)*[†] *in Individual Insurance in Canada and the U.S. – New business for the two business lines generated a charge at issue of $10 million pre-tax, or 7% of sales for the quarter. This result is within the -5% to 10% target range but higher than expected ($0.02 EPS loss), mainly explained by a different sales mix than planned. Strain does not factor in the first quarter increase in interest rates.

Income on capital*[†] *– Net income earned on the Company's surplus funds, which includes income from the iA Auto and Home affiliate (iAAH), was $23 million before tax for the first quarter, representing a gain of $0.06 EPS versus management expectations. This is explained by favourable experience for home protections at iAAH (+$0.04 EPS), higher investment income on surplus (+ $0.01 EPS) and lower Surex integration costs than planned (+0.01 EPS).

Income taxes*[†] *– The effective tax rate for the quarter was 18.7%, below the 21% to 23% guidance range. As a result, the tax charge was lower than expected ($0.03 EPS gain).

Business growth – The Company continued its growth momentum to start 2022 with good sales results for the first quarter. In Canada, the Company continues to strengthen its market-leading position in all three "Foundation"[3] businesses of Individual Insurance, Individual Wealth Management and Dealer Services. In addition to their "Support"[3] of branding and synergies with other businesses, Special Markets and Group Savings and Retirement had strong sales growth and iA Auto and Home recorded good sales.[†] Lastly, in the U.S., good performances were recorded in the "Expansion"[3] businesses of Individual Insurance and Dealer Services.

- *Assets under management and administration*[†] ended the first quarter at $213.9 billion, up 6% from the previous year, powered by net fund entries for both segregated funds and mutual funds.

- *Premiums and deposits*[†] totalled more than $4.4 billion for the first quarter, close to the record achieved for the same period in 2021. This result is attributable to the strong contribution of all lines of business.

- In *Individual Insurance*, first quarter sales[†] totalled $101 million, continuing the growth momentum of recent quarters and leading to a significant increase year over year, with more than 85% of the quarter's sales[†] in capital-light products. This substantial growth was due to the very good performance of all networks and distributors, with particularly strong sales[†] from one large distributor, and to the increase in the average premium per policy sold. Our comprehensive and competitive range of products, including the success of our PAR products, and the excellent performance of our digital tools remained strong growth drivers for this line of business. The Company continued to strengthen its position as a Canadian leader with 58,362 policies issued during the first three months of the year, a 13% increase year over year.

- In *Individual Wealth Management*, segregated funds started the year strong with record gross and net sales[†] for the quarter. Driven by the strong performance of the distribution networks and digital tools, gross sales of $1.5 billion were up 9% year over year and net sales[†] surpassed $1.0 billion. The Company continued to strengthen its position in the industry, ranking first in gross and net segregated fund sales[†] for the first two months of 2022. In mutual funds, amid an industry downturn in gross and net sales[†], the Company recorded good results, with net inflows of $83 million and gross sales of $691 million. Guaranteed product (general fund) sales of $239 million for the first quarter were up 4% year over year.

[3] At the Investor Event held on March 10, 2021, the Company presented its business mix under three main categories: Foundation, Support and Expansion.

[†] This item is a non-IFRS measure; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.

- The *Group Insurance* business line is made up of three divisions. In the Dealer Services division, total sales† amounted to $298 million, a very strong increase of 29% year over year despite vehicle inventory shortages. By product, P&C sales† totalled $77 million, up 20% from a year earlier, creditor insurance sales† were $43 million, similar to a year ago, and car loan originations totalled $178 million, a significant increase of 44% year over year. In the Employee Plans division, premiums[4] were up 12% year over year, mainly due to good retention of in-force business, and sales† totalled $11 million compared to $87 million in the same quarter of 2021. Note that sales† in this division vary considerably from one quarter to another based on the size of the contracts sold. Lastly, sales† in the Special Markets division increased significantly by 57% from a year ago, mainly driven by a recovery in travel medical sales.

- In *Group Savings and Retirement*, total sales† for the first quarter were strong, amounting to $625 million compared to a very strong first quarter of $693 million in 2021.

- In *US Operations*, Individual Insurance sales† were good during the first quarter with a year-over-year increase of 6%. Dealer Services sales† for the first quarter amounted to $243 million, an increase of 4% year over year, which is a good performance in the context of vehicle inventory shortages.

- At *iA Auto and Home*, good business growth continued, with direct written premiums† increasing 5% year over year to $88 million in the first quarter.

***Financial position* –** At March 31, 2022, the solvency ratio† was 132%, compared with 134% at the end of the previous quarter and 128% a year earlier. This result is above the Company's target range of 110% to 116%. The two percentage point decrease in the first quarter is due to unfavourable market-related variations, partly offset by the good contribution of organic capital generation† and the net positive impact of the February debenture redemption and issuance. The Company's leverage ratio† at March 31, 2022 was 23.4%, compared to 22.7% at December 31, 2021.

***Capital generation*† –** The Company organically generated approximately $100 million in additional capital during the first quarter.

Debenture redemption – On February 23, 2022, iA Insurance completed the redemption of its 2.64% subordinated debentures due February 23, 2027, with a nominal value of $250 million.

Debenture issuance – On February 25, 2022, iA Financial Group completed its inaugural sustainability bond offering of $300 million aggregate principal amount 3.187% fixed/floating unsecured subordinated debentures due February 25, 2032. The debentures were rated "A (low)" by DBRS Morningstar and "A-" by S&P Global Ratings.

***Book value*[5] –** The book value per common share was $61.04 at March 31, 2022, up 7% over twelve months and down 2% from the previous quarter. The variation for the quarter is mainly explained by the decrease in accumulated other comprehensive income, which was negatively impacted by rising interest rates and credit spreads.

Dividend – The Company paid a quarterly dividend of $0.6250 to common shareholders in the first quarter of 2022. The Board of Directors approved a quarterly dividend of $0.6250 per share for the second quarter of 2022, the same as in the first quarter, on the outstanding common shares of iA Financial Corporation. This dividend is payable on June 15, 2022 to the shareholders of record at May 27, 2022.

Normal Course Issuer Bid – In the first quarter of 2022, the Company redeemed and cancelled 108,200 outstanding common shares. Under the NCIB regime, the Company can redeem up to 5,382,503 common shares, representing approximately 5% of the outstanding common shares, between December 6, 2021 and December 5, 2022.

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 June 15, 2022 must ensure that the duly completed form is delivered to Computershare no later than 4:00 p.m. on May 19, 2022. 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.

4 Net premiums and premium equivalents

5 Book value per common share is a financial measure calculated by dividing the common shareholders' equity by the number of common shares outstanding at the end of the period; all components of this measure are IFRS measures.

† This item is a non-IFRS measure; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.

Subsequent to the first quarter of 2022:

2021 Sustainability Report – On April 1, 2022, iA Financial Group released its 2021 Sustainability Report, which outlines the Company's environmental, social and governance initiatives and achievements for 2021. Highlights of the report include:

- Receipt of "carbon-neutral company" certification for a second consecutive year
- Integration of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and publication of a positioning statement on climate change
- Training programs geared towards inclusive leadership
- Introduction of an ESG criteron in the compensation of senior executives
- Donations of over $7.5 million to various social and community organizations or those working in health and education

2022 federal budget – The 2022 federal budget was published on April 7, 2022. Among other things, the budget introduced new taxes aimed specifically at banks and life insurance companies, as well as an update on the taxation of the upcoming IFRS 17 accounting regime. Note than these new measures are not enacted yet. The Company's financial objectives and guidance provided to the market were not changed following the 2022 federal budget release.

Credit ratings – Credit rating agencies S&P Global, DBRS Morningstar and A.M. Best confirmed, with a stable outlook, all ratings of iA Financial Corporation and its related entities, including Industrial Alliance Insurance and Financial Services Inc.

Board of Directors – The Company's annual meeting will be held virtually on Thursday, May 12, 2022. At the meeting, two new director nominees, Ms. Ouma Sananikone and Ms. Rebecca Schechter, will be proposed for election by shareholders.

Executive appointment – On April, 20, 2022, the Company announced that Stéphanie Butt Thibodeau will be joining iA Financial Group on May 16, 2022 as Executive Vice-President and Chief Talent and Culture Officer. Ms. Butt Thibodeau has over 27 years of experience in financial services and human resource management, as well as in corporate transformation and organizational agility.

Outlook

2022 Market guidance for iA Financial Corporation, as disclosed on February 16, 2022

- Core earnings per common share:[†] target range of $8.70 to $9.30
- Core return on common shareholders' equity (ROE):[†] target range of 13.0% to 15.0%
- Solvency ratio:[†] target range of 110% to 116%
- Organic capital generation:[†] target range of $450 million to $525 million
- Impact of new business (strain):[†] annual target of 0% of sales with quarterly range of -5% to 10%
- Effective tax rate: target range of 21% to 23%
- Dividend payout ratio:[†] range of 25% to 35%, with the target being the mid-point, based on core earnings

Transition to IFRS 17 and IFRS 9 and outlook for 2023 – The Company's management is already making decisions and taking actions based on the new IFRS 17 and IFRS 9 accounting standards that will come into effect on January 1, 2023. Due to its strong and flexible balance sheet under IFRS 4 and its well-positioned actuarial assumptions, management considers that the Company is in a favourable position for the transition to the new accounting standards. Based on currently available information, impacts ranging from near-neutral to favourable are expected for the following key measures: 1) Core EPS, 2) Core EPS growth, 3) Core ROE, 4) Book value, 5) Solvency ratio and 6) Capital available for deployment. Core earnings will continue to be the best indicator of the Company's ability to generate sustainable revenues, eliminating the short-term volatility that may result from the de-linking between assets and liabilities under the new accounting regime. Finally, it is important to note that this outlook is preliminary as the following elements are not finalized or remain uncertain: the tax treatment of the contractual service margin (CSM) at transition, the changes that will be made to the formula for calculating the solvency ratio and the evolution of the macroeconomic environment until transition.

The Company's outlook, including the market guidance provided, constitutes forward-looking information within the meaning of securities laws. Although the Company believes that its outlook is reasonable, such statements involve risks and uncertainties and undue reliance should not be placed on such statements. Factors that could cause actual results to differ materially from expectations include, but are not limited to: insurance, market, credit, liquidity, strategic and operational risks. In addition, certain material factors or assumptions are applied in preparing the Company's outlook, including but not limited to: accuracy of accounting policies and best estimate actuarial and economic assumptions used by the Company; a business growth rate similar to previous years; no unexpected material changes in the economic, competitive, insurance, legal or regulatory environment; risks and conditions; and the Company's recent performance and results, as discussed elsewhere in this document. The Company's outlook serves to provide shareholders, market analysts, investors, and other stakeholders with a basis for adjusting their expectations with regards to the Company's performance throughout the year and may not be appropriate for other purposes. Additional information about risk factors and assumptions applied may be found in the "Forward-looking Statements" section of this document.

[†] This item is a non-IFRS measure; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.

FIRST QUARTER HIGHLIGHTS – iA Insurance

Profitability – In the first quarter of 2022, iA Insurance recorded net income attributed to its sole common shareholder, iA Financial Corporation, of $154 million, compared to $171 million a year earlier.

Financial position – The solvency ratio[†] of iA Insurance was 123% at March 31, 2022, compared with 127% at the end of the previous quarter and 116% a year earlier. The decrease of four percentage points in the first quarter is due to the redemption of $250 million of subordinated debentures in February and unfavourable market-related variations, which were partly offset by the contribution of organic capital generation.[†]

Debenture redemption – On February 23, 2022, iA Insurance completed the redemption of its 2.64% subordinated debentures due February 23, 2027, with a nominal value of $250 million.

Dividend – iA Insurance paid no dividend in the first quarter of 2022. For the second quarter of 2022, the Board of Directors of iA Insurance approved that there will be no dividend to its sole common shareholder, iA Financial Corporation, and therefore no dividend should be paid by iA Insurance.

Credit ratings **–** Credit rating agencies S&P Global, DBRS Morningstar and A.M. Best confirmed, with a stable outlook, all ratings of iA Financial Corporation and its related entities, including Industrial Alliance Insurance and Financial Services Inc.

Board of Directors **–** The Company's annual meeting will be held virtually on Thursday, May 12, 2022. At the meeting, two new director nominees, Ms. Ouma Sananikone and Ms. Rebecca Schechter, will be proposed for election by shareholders to replace those not seeking another term.

iA Insurance			
Earnings Highlights	**First quarter**		
(In millions of dollars, unless otherwise indicated)	**2022**	**2021**	**Variation**
Net income attributed to shareholders	160	177	(10%)
Less: dividends on preferred shares	6	6	—
Net income attributed to common shareholder	154	171	(10%)

Other Financial Highlights			
(In millions of dollars, unless otherwise indicated)	**March 31, 2022**	**December 31, 2021**	**March 31, 2021**
Total capital[†]	6,358	6,584	5,861
Solvency ratio[†]	123%	127%	116%

GENERAL INFORMATION

Non-IFRS and Additional Financial Measures

iA Financial Corporation and iA Insurance (hereinafter referred to individually in this section as the "Company") report their financial results and statements in accordance with International Financial Reporting Standards ("IFRS"). They also publish certain financial measures or ratios 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 ("GAAP") used for the company's audited financial statements. The Company uses non-IFRS measures when evaluating its results and measuring its performance. The Company believes that non-IFRS measures provide additional information to better understand its 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 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. These non-IFRS measures are often accompanied by and reconciled with IFRS financial measures. For certain non-IFRS measures, there are no directly comparable amounts under IFRS.

† This item is a non-IFRS measure; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such measures.

Regulation 52-112 respecting Non-GAAP and Other Financial Measures Disclosure from the Canadian Securities Administrators ("Regulation 52-112") establishes disclosure requirements that apply, respectively, to each of the following categories of non-IFRS measures used by iA Financial Group:

– *Non-IFRS financial measures*, which depict the historical or expected future financial performance, financial position or cash flow, and with respect to their composition, exclude an amount that is included in, or includes an amount that is excluded from, the composition of the most directly comparable financial measure disclosed in the Company's financial statements.
– *Non-IFRS ratios*, which are in the form of a ratio, fraction, percentage, or similar representation, have a non-IFRS financial measure as one or more of their components and are not disclosed in the Company's financial statements.
– *Supplementary financial measures*, which are disclosed on a periodic basis to depict historical or expected future financial performance, financial position, or cash flow and are not disclosed in the Company's financial statements.
– *Capital management measures*, which are financial measures intended to enable the reader to evaluate the Company's objectives, policies, and processes for managing its capital.
– *Segment measures*, which combine financial measures for two or more reportable segments of the Company and are not disclosed in the Company's financial statements.

Below is a description of the non-IFRS financial measures, non-IFRS ratios and supplementary financial measures used by the Company. Additional information is provided, along with a description of the reconciliation to the closest IFRS measure, where applicable.

Non-IFRS measures published by iA Financial Group are:

▪ Return on common shareholders' equity (ROE):
  ◦ *Category under Regulation 52-112*: Supplementary financial measure.
  ◦ *Definition*: A 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.
  ◦ *Purpose*: Provides a general measure of the Company's efficiency in using equity.

▪ Core earnings:
  ◦ *Category under Regulation 52-112*: Non-IFRS financial measures that constitute historical information.
  ◦ *Definition*: Removes 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; and
    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.

    Note: 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. The changes to the definition of core earnings at the beginning of 2021 are consistent with the ongoing evolution of the business and help to better reflect and assess the underlying operating business performance, while maintaining consistency with the general concept of the metric and continuity with the previous definition.
  ◦ *Purpose*: Provides a supplementary measure to understand the underlying operating business performance compared to IFRS net earnings. Also helps in explaining results from period to period by excluding items that are non-representative of the business performance from one period to another. In addition, core earnings, along with net income attributed to shareholders, is used as a basis for management planning and strategic priority setting. Therefore, this measure is useful in understanding how management views the underlying operating business performance of the Company and helps to better understand the long-term earnings capacity and valuation of the business.
  ◦ *Reconciliation*: "Net income attributed to common shareholders" is the most directly comparable IFRS measure disclosed in the financial statements of the Company to which the measure relates, and a reconciliation with this measure is presented in the "Management's Discussion and Analysis," which is available at sedar.com.

- Core earnings per common share (core EPS):
  - *Category under Regulation 52-112*: Non-IFRS ratio.
  - *Definition*: Obtained by dividing the core earnings by the diluted weighted average number of common shares.
  - *Purpose*: Used to better understand the Company's capacity to generate sustainable earnings and is an additional indicator for evaluating the Company's financial performance.
  - *Reconciliation*: "Earnings per common share (EPS)" is the most directly comparable IFRS financial measure disclosed in the financial statements of the Company to which the measure relates, and a reconciliation with this measure is presented in the "Management's Discussion and Analysis," which is available at sedar.com.

- Core return on common shareholders' equity (core ROE):
  - *Category under Regulation 52-112*: Non-IFRS ratio.
  - *Definition*: A ratio, expressed as a percentage, obtained by dividing the consolidated core earnings by the average common shareholders' equity for the period.
  - *Purpose*: Provides a general measure of the Company's efficiency in using equity, based on core earnings, and an additional indicator for evaluating the Company's financial performance.
  - *Reconciliation*: There is no directly comparable IFRS financial measure that is disclosed in the financial statements of the Company to which the measure relates.

- Components of the sources of earnings (SOE), on a reported and core basis:
  - *Category under Regulation 52-112*: Supplementary financial measures.
  - *Definition*: Presents sources of earnings in compliance with the guideline issued by the Office of the Superintendent of Financial Institutions and developed in cooperation with the Canadian Institute of Actuaries using the following components:
    a. Operating profit, which is the sum of the following components of the sources of earnings analysis: expected profit on in-force, experience gains and losses, impact of new business and changes in assumptions and management actions.
    b. Expected profit on in-force, which represents 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.
    c. Experience gains or losses, which represent the difference between reported income and the income that would have been reported if all assumptions made at the start of the period had materialized.
    d. Impact of new business, or strain, which represents the point-of-sale impact on net income of writing new business during the period. The expected profit realized in the years after a policy is issued should cover the strain incurred at the time of issue.
    e. Changes in assumptions and management actions, which is the impact on pre-tax net income resulting from changes in actuarial methods and assumptions or other management actions. Changes in assumptions result from the Company ensuring the adequacy of its provisions given the existing economic and financial environment as well as the Company's own experience in terms of mortality, morbidity, lapse rates, unit costs and other factors. Management actions represent the impact of actions apart from the normal operation of the business, including but not limited to changes in methodology, model refinement and impacts of acquisitions, mergers and divestitures.
    f. Income on capital, which represents the income derived from investments in which the Company's capital is invested, minus any expenses incurred to generate that income. The Company also includes financing expenses from debentures, amortization of intangible assets related to acquisitions and the results of the iA Auto and Home (iAAH) subsidiary in this item.
    g. Income taxes, which 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. Income taxes are considered to be an expense for the purpose of calculating the operating profit.
  - *Purpose*: Provides additional indicators for evaluating the Company's financial performance and an additional tool to help investors better understand the source of shareholder value creation.
  - *Reconciliation*: There is no directly comparable IFRS financial measure for components of the SOE that is disclosed in the financial statements of the Company to which the measure relates.

- Car loan measure – Loan originations:
  - *Category under Regulation 52-112*: Supplementary financial measures.
  - *Definition*: New car loans disbursed during a period.
  - *Purpose*: Used to assess the Company's ability to generate new business in the car loan business unit.
  - *Reconciliation*: It is a component of the "Operating activities affecting cash: Purchases of investments" IFRS measure disclosed in the Company's financial statements.

- Car loan measure – Finance receivables:
  - *Category under Regulation 52-112*: Non-IFRS financial measures that constitute historical information.
  - *Definition*: Includes car loans, accrued interest, and fees.
  - *Purpose*: Used to assess the Company's total receivable amounts in the car loan business unit.
  - *Reconciliation*: There is no directly comparable IFRS financial measure disclosed in the financial statements of the Company to which the measure relates.

- Car loan measure – Average credit loss rate on car loans:
  - *Category under Regulation 52-112*: Non-IFRS ratio.
  - *Definition*: Represents the total credit losses divided by the average finance receivables over the same period.
  - *Purpose*: Used to assess the Company's average credit performance in the car loan business unit.
  - *Reconciliation*: There is no directly comparable IFRS financial measure disclosed in the financial statements of the Company to which the measure relates.

- Dividend payout ratio:
  - *Category under Regulation 52-112*: Supplementary financial measure.
  - *Definition*: The percentage of net income attributed to common shareholders, on a reported basis, that is distributed to common shareholders in the form of dividends during the period.
  - *Purpose*: Indicates the percentage of the Company's reported revenues shareholders received in the form of dividends.
  - *Reconciliation*: The dividend payout ratio is the ratio of the dividend per common share paid during the period (an IFRS measure) divided by the reported earnings per common share for the period.

- Core dividend payout ratio:
  - *Category under Regulation 52-112*: Non-IFRS ratio.
  - *Definition*: The percentage of net income attributed to common shareholders, on a core earnings basis, that is distributed to common shareholders in the form of dividends during the period.
  - *Purpose*: Indicates the percentage of the Company's core revenues shareholders received in the form of dividends.
  - *Reconciliation*: The core dividend payout ratio is the ratio of the dividend per common share paid during the period (an IFRS measure) divided by the core earnings per common share for the period.

- Organic capital generation:
  - *Category under Regulation 52-112*: Supplementary financial measure.
  - *Definition*: Excess capital generated in the normal course of business, excluding the impact of the macroeconomic environment, where excess capital is the amount of capital over and above the target ratio, calculated under the CARLI guideline.
  - *Purpose*: Provides a measure of the Company's capacity to generate excess capital in the normal course of business.

- Potential capital deployment:
  - *Category under Regulation 52-112*: Supplementary financial measure.
  - *Definition*: Amount of capital the Company can deploy for a transaction, taking into account all limits and constraints of the regulatory capital guideline and the Company's targets, assuming the transaction parameters to be the worst-case scenario.
  - *Purpose*: Provides a measure of the Company's capacity to deploy capital for transactions.

- Total payout ratio (trailing 12 months):
  - *Category under Regulation 52-112*: Supplementary financial measure.
  - *Definition*: The 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.
  - *Purpose*: Indicates the percentage of the Company's reported revenues shareholders received in the form of dividends over a twelve-month period.

- Sensitivity measures:
  - *Category under Regulation 52-112*: Supplementary financial measures.
  - *Definition*: The impact of macroeconomic variations, such as interest rate and equity market variations, on other Company metrics, such as net income or the solvency ratio.
  - *Purpose*: Used to assess the Company's risk exposure to macroeconomic variations.

- Financial leverage measure – Debentures/Capital:
  - *Category under Regulation 52-112*: Supplementary financial measures.
  - *Definition*: Calculated by dividing total debentures by the sum of total debentures plus shareholders' equity.
  - *Purpose*: Provides a measure of the Company's financial leverage.

- Financial leverage measure – Debentures + Preferred Shares issued by a subsidiary/Capital:
  - *Category under Regulation 52-112*: Supplementary financial measures.
  - *Definition*: Calculated by dividing the total debentures plus preferred shares issued by a subsidiary by the sum of total debentures plus shareholders' equity.
  - *Purpose*: Provides a measure of the Company's financial leverage.

- Financial leverage measure – Coverage ratio:
  - *Category under Regulation 52-112*: Non-IFRS ratio.
  - *Definition*: Calculated by dividing earnings for the past twelve months (before interest and taxes) by the sum of interest, preferred shares issued by a subsidiary, and dividends and redemption premiums on preferred shares issued by a subsidiary (if applicable).
  - *Purpose*: Provides a measure of the Company's ability to meet liquidity requirements for obligations when they come due.
  - *Reconciliation*: There is no directly comparable IFRS financial measure disclosed in the financial statements of the Company to which the measure relates.

- Capitalization:
  - *Category under Regulation 52-112*: Supplementary financial measures.
  - *Definition*: The sum of the Company's equity, participating policyholders' accounts and debentures.
  - *Purpose*: Provides an additional indicator for evaluating the Company's financial performance.
  - *Reconciliation*: This measure is the sum of several IFRS measures.

- Solvency ratio:
  - *Category under Regulation 52-112*: In accordance with the Capital Adequacy Requirements Guideline – Insurance of Persons (CARLI) revised in January 2021 by the Autorité des marchés financiers ("AMF"), this financial measure is exempt from certain requirements of Regulation 52-112.
  - *Definition*: Calculated by dividing the sum of the available capital, the surplus allowance and the eligible deposits by the base solvency buffer.
  - *Purpose*: Provides a measure of the Company's solvency and allows the regulatory authorities to determine if an insurance company is sufficiently capitalized in relation to the minimum set by the Company's regulator.

- Assets under administration (AUA):
  - *Category under Regulation 52-112*: Supplementary financial measures.
  - *Definition:* All assets with respect to which the Company acts only as an intermediary between a client and an external fund manager.
  - *Purpose:* Used to assess the Company's ability to generate fees, particularly for investment funds and funds under administration.
  - *Reconciliation*: There is no directly comparable IFRS financial measure disclosed in the financial statements of the Company to which the measure relates.

- Assets under management (AUM):
  - *Category under Regulation 52-112*: Non-IFRS financial measures that constitute historical information.
  - *Definition*: All assets with respect to which the Company establishes a contract with a client and makes investment decisions for amounts deposited in this contract.
  - *Purpose:* Used to assess the Company's ability to generate fees, particularly for investment funds and funds under administration.
  - *Reconciliation*: "General fund assets" and "Segregated funds net assets" disclosed in the Company's financial statements are IFRS measures and components of the AUM calculation. A reconciliation is presented in the "Management's Discussion and Analysis," which is available at sedar.com.

- Individual Wealth Management mutual funds deposits, Group Savings and Retirement deposits, US Operations Dealer Services premium equivalents and Group Insurance Employee Plans ASO, Investment contracts and premium equivalents and deposits:
  - *Category under Regulation 52-112*: Supplementary financial measures.
  - *Definitions*:
    a. Deposits refer to amounts received from clients under an investment contract. Deposits are not reflected in the Company's income statements.
    b. Premium equivalents refer to amounts related to service contracts or 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 "Net premiums".
  - *Purpose*: Premiums, premium equivalents and deposits are one of many measures used to assess the Company's ability to generate income from in-force and new business.

- Individual Insurance minimum and excess premium sales, Individual Wealth Management gross and net mutual fund sales, Group Insurance Employee Plans sales, US Operations Individual Insurance sales, Group Insurance Special Markets sales, Group Insurance Dealer Services P&C sales, Group Savings and Retirement sales of accumulation contracts and insured annuities, US Operations Dealer Services sales and General Insurance sales:
  - *Category under Regulation 52-112*: Supplementary financial measures.
  - *Definitions*:
    a. Individual Insurance minimum and excess premium sales are defined as first-year annualized premiums. The net premiums presented in the Consolidated Financial Statements include fund entries on both in-force contracts and new business written during the period and are reduced by premiums ceded to reinsurers.
    b. Individual Wealth Management gross mutual fund sales are defined as deposits and include primary market sales of ETFs.
    c. Individual Wealth Management net mutual fund sales correspond to net fund entries and are defined as Individual Wealth Management gross mutual fund sales less withdrawals and transfers.
    d. Group Insurance Employee Plans sales are defined as first-year annualized premiums, including premium equivalents (Administrative Services Only).
    e. US Operations Individual Insurance sales are defined as first-year annualized premiums.
    f. Group Insurance Special Markets sales are defined as fund entries on both in-force contracts and new business written during the period.
    g. Group Insurance Dealer Services P&C sales are defined as direct written premiums (before reinsurance).
    h. Group Savings and Retirement sales of accumulation contracts and insured annuities include gross premiums (before reinsurance) and premium equivalents, or deposits.
    i. US Operations Dealer Services sales are defined as direct written premiums (before reinsurance) and premium equivalents.
    j. General Insurance sales are defined as direct written premiums.
  - *Purpose*: Used to assess the Company's ability to generate new business and serve as additional tools to help investors better assess the Company's growth potential.
  - *Reconciliation*: There is no directly comparable IFRS financial measure disclosed in the financial statements of the Company to which the measure relates.

- Group Insurance Dealer Services creditor insurance sales:
  - *Category under Regulation 52-112*: Non-IFRS financial measures that constitute historical information.
  - *Definition*: Premiums before reinsurance and cancellations*.*
  - *Purpose*: Used to assess the Company's ability to generate new business and serve as an additional tool to help investors better assess the Company's growth potential in the Dealer Services division of the Group Insurance sector.
  - *Reconciliation*: There is no directly comparable IFRS financial measure disclosed in the financial statements of the Company to which the measure relates.

Forward-looking Statements

– This document 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", "outlook" and "forecast", or other similar words or expressions. Such statements constitute forward-looking statements within the meaning of securities laws. In this document, 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.

– 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. In addition, 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.

  - Material factors and risks that could cause actual results to differ materially from expectations include, but are not limited to: insurance, market, credit, liquidity, strategic and operational risks, such as: general business and economic conditions; level of competition and consolidation; changes in laws and regulations, including tax laws and changes made to capital and liquidity guidelines; risks associated with the regional or global political and social environment; risks related to climate change including the transition to a low-carbon economy and iA Financial Group's ability to satisfy stakeholder expectations on environmental, social and governance issues; data and cyber risks; risks related to human resources; hedging strategy risks; 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; the occurrence of natural or man-made disasters, international conflicts, pandemic diseases (such as the current COVID-19 pandemic) and acts of terrorism.

- ◦ Material factors and assumptions used in the preparation of financial outlooks include, but are not limited to: accuracy of accounting policies and best estimate actuarial and economic assumptions used by the Company such as mortality, morbidity, longevity and policyholder behaviour; different business growth rates per business unit; no unexpected material changes in the economic, competitive, insurance, legal or regulatory environment; risks and conditions; and the Company's recent performance and results, as discussed elsewhere in this document.

– 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 Group's business and financial results could be material. However, despite the short-term negative impacts of the pandemic on its results, iA Financial Group remains financially solid. In addition, iA Financial Group'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.

– Potential impact of geopolitical conflicts – Since February 2022, Russia's military invasion of Ukraine and the related sanctions and economic fallout have had several impacts on global financial markets, exacerbating the volatility already present since the beginning of the year. The outlook for financial markets over the short and medium term remains highly uncertain and vulnerable, in part due to continued geopolitical tensions. The Company continues to monitor potential impacts of the conflict. These impacts could negatively affect the Company's financial outlook, results and operations.

– 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 2021, the "Management of Risks Associated with Financial Instruments" note to the audited consolidated financial statements for the year ended December 31, 2021, 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 document 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 first quarter results, investors are invited to consult the Management's Discussion and Analysis for the quarter ended March 31, 2022, 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 first quarter results on Thursday, May 12, 2022 at 11:30 a.m. (ET). The dial-in number is 416-620-9188 or 1-800-954-0652 (toll-free within North America). A replay of the conference call will be available for a one-week period, starting at 2:00 p.m. on Thursday, May 12, 2022. To access the conference call replay, dial 1-800-558-5253 (toll-free) and enter access code 22016279. A webcast of the conference call (listen-only mode) will also be available on the iA Financial Group website at ia.ca.

Annual Meeting

iA Financial Corporation is holding its Annual Meeting virtually at 2:00 p.m. (ET) on Thursday, May 12, 2022, at the following web address: https://www.icastpro.ca/eia220512b. A webcast of the meeting as well as a copy of management's presentation will be available on the Company's website at ia.ca under *About iA*, in the *Investor Relations/Events and Presentations* section.

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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