iA Financial Group

News Release

Quebec City, November 9, 2022

iA Financial Group Reports Third Quarter Results

Good profitability and robust capital position, supported by strong organic capital generation

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 7 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. For relevant information about non-IFRS measures used in this document, see the "Non-IFRS and Additional Financial Measures" section in the Management's Discussion and Analysis for the period ending September 30, 2022, which is hereby incorporated by reference, and is available for review at sedar.com or on iA Financial Group's website at ia.ca.

THIRD QUARTER HIGHLIGHTS – iA Financial Corporation

- Reported EPS of $2.03, and core EPS[†] of $2.29, which is up 3% YoY and compares to guidance of $2.30 to $2.45
- Reported ROE[†,1] of 12.2%, and core ROE[1,†] of 13.8%, near the middle of guidance (13% to 15%)
- Robust solvency ratio[†] of 130% at September 30, 2022 and strong organic capital generation[†] of ~$160 million
- Strong Individual Insurance sales growth and positive net sales in Individual Wealth Management
- Book value per common share[2] of $62.38 at September 30, 2022, up 2% during Q3 and compared to $60.82 a year earlier
- Maintaining a near-neutral to favourable outlook for IFRS 9 and IFRS 17 transition

For the third quarter ended September 30, 2022, iA Financial Corporation (TSX: IAG) reports net income attributed to common shareholders of $215 million, diluted earnings per common share (EPS) of $2.03 and return on common shareholders' equity (ROE) for the trailing twelve months of 12.2%. Core EPS[†] of $2.29 compares with guidance of $2.30 to $2.45 for the quarter and core ROE[†] of 13.8% for the trailing twelve months is near the middle of guidance. The solvency ratio stands strong at 130% at September 30, 2022.

"Our third quarter results demonstrate the robustness of our business model. Our high performing distribution networks, supported by the quality of our products and digital tools, delivered strong growth in Individual Insurance sales and positive retail net fund inflows," commented Denis Ricard, President and CEO of iA Financial Group. "With core EPS for the quarter and year to date higher than 2021, which was a record year, we continue to invest in our future growth notably through our digital transformation which will continue to be key to our growth success."

"Despite a challenging environment for our wealth management businesses, we experienced good profitability in the third quarter, with core ROE[1] around mid-target and core EPS nearly at guidance level. In addition, we have further strengthened the Company's financial position through sustained organic capital generation, as well as the conclusion of a favourable reinsurance agreement in the U.S.," added Jacques Potvin, Executive Vice-President, CFO and Chief Actuary. "Finally, while the annual review of our actuarial assumptions will be finalized in the coming weeks, at this time we expect the impact to be near-neutral on fourth quarter results."

Earnings Highlights	Third quarter			Year-to-date at September 30		
	2022	2021	Variation	2022	2021	Variation
Net income attributed to shareholders (in millions)	$218	$223	(2%)	$602	$638	(6%)
Less: dividends on preferred shares issued by a subsidiary (in millions)	$3	$6	(50%)	$14	$17	(18%)
Net income attributed to common shareholders (in millions)	$215	$217	(1%)	$588	$621	(5%)
Weighted average number of common shares (in millions, diluted)	106.2	107.9	(2%)	107.3	107.8	—
Earnings per common share (diluted)	$2.03	$2.01	1%	$5.48	$5.77	(5%)
Core earnings per common share (diluted)[†]	$2.29	$2.23	3%	$6.45	$6.31	2%

Other Financial Highlights	September 30, 2022	June 30, 2022	Dec. 31, 2021	September 30, 2021
Return on common shareholders' equity[1,†]	12.2%	12.5%	13.2%	12.8%
Core return on common shareholders' equity[1,†]	13.8%	14.1%	14.2%	14.0%
Solvency ratio[†]	130%	130%	134%	131%
Book value per share[2]	$62.38	$60.97	$62.01	$60.82
Assets under management and administration[†] (in billions)	$196.2	$193.6	$221.2	$214.5

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 at the end of this document for relevant information about such measures.

The results of iA Financial Corporation for the third 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 third quarter ended September 30, 2022, iA Financial Corporation reports diluted earnings per common share (EPS) of $2.03 compared to $2.01 for the same quarter of 2021. Diluted core EPS[†] of $2.29 for the third quarter of 2022 is also higher than last year's result ($2.23).

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. Six items were adjusted in the core earnings[†] calculation for the quarter, representing an increase of $0.26 EPS versus reported EPS.

Reported Earnings and Core Earnings[†] Reconciliation[3]

(in millions of dollars after tax unless otherwise indicated)	Third quarter				Year-to-date at September 30			
	Earnings	EPS (diluted basis)			Earnings	EPS (diluted basis)		
	2022	2022	2021	Variation	2022	2022	2021	Variation
Reported earnings	215	$2.03	$2.01	1%	588	$5.48	$5.77	(5%)
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	—		61	$0.57	($0.13)	
Assumption changes and management actions	(41)	($0.39)	—		(41)	($0.39)	—	
Charges or proceeds related to acquisition or disposition of a business, including acquisition, integration and restructuring costs	3	$0.03	$0.04		12	$0.11	$0.13	
Amortization of acquisition-related finite life intangible assets	16	$0.14	$0.13		47	$0.43	$0.38	
Non-core pension expense	5	$0.05	$0.05		16	$0.15	$0.16	
Other specified unusual gains and losses	35	$0.34	—		8	$0.09	—	
Core earnings[†]	243	$2.29	$2.23	3%	691	$6.45	$6.31	2%

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 September 30, 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 $215 million for the third quarter of 2022. This result, as analyzed according to sources of earnings, can be explained as follows:

Expected profit on in-force[†] – At $250 million pre-tax, expected profit on in-force (EPIF) for the third quarter of 2022 was up 2% or $6 million year over year. Growth has been dampened by the quarterly EPIF adjustment to reflect changes in the stock markets as at June 30, 2022.

Experience gains (losses)[†] versus expected profit – For the third quarter of 2022, the Company recorded a net experience loss of $0.14 EPS ($16 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 third quarter and the excess provision was carried forward for potential use in the future. In Canada, additional mortality claims were higher than the provision available for the third quarter, which was therefore used in full. 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 $0.03 EPS ($3 million) in the third quarter. The market-related variations had a negative impact on universal life insurance policies (-$0.02 EPS) and on the level of assets backing individual insurance reserves (-$0.05 EPS). Policyholder experience generated a loss (-$0.01 EPS) during the quarter as morbidity experience was favourable but mortality experience was unfavourable. Policyholder behaviour generated a gain (+$0.04 EPS) due to good experience from lapse and exercise of contractual options by customers. Also, favourable miscellaneous items were partially offset by higher expenses (+$0.01 EPS).

[3] The figures do not always add up exactly due to rounding differences.

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

- *Individual Wealth Management* reported a loss of $0.08 EPS ($9 million) in the third quarter. Market-related variations had an unfavourable impact on the result of the segregated fund hedging program (-$0.04 EPS) but a favourable impact on investment fund income (MERs) (+$0.02 EPS). Also, revenues from distribution affiliates were lower than expected due to an unfavourable macroeconomic environment (-$0.03 EPS) and expenses were higher than expected (-$0.03 EPS).

- *Group Insurance* recorded a loss of $0.01 EPS ($1 million) for the quarter. Experience in the Employee Plans division was close to plan (-$0.01 EPS), as good long-term disability (LTD) experience was more than offset by higher expenses and unfavourable mortality. In the Dealer Services division, results were on plan as favourable experience for P&C claims and car loans was offset by miscellaneous unfavourable items. Lastly, Special Markets results were also on plan.

- *Group Savings and Retirement* reported a result in line with expectations as favourable longevity experience was offset by higher expenses.

- US Operations recorded a loss of $0.02 EPS ($3 million) during the third quarter. The Individual Insurance division recorded a small gain due to favourable miscellaneous items (+$0.01 EPS). In the Dealer Services division, revenues were lower primarily due to the impact of low retail sales of new and used cars (-$0.04 EPS). Also, IAS integration costs 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 gain at issue of $18 million pre-tax, or 13% of sales for the quarter. This result is better than expected, generating an $0.11 EPS gain mainly due to a portion of the 2022 interest rate increase being factored into the strain calculation and, to a lesser extent, sales volume being higher than expected.

Income on capital[†] – Net income earned on the Company's surplus funds, which includes income from the iA Auto and Home affiliate (iAAH), was $33 million before tax for the third quarter, representing an unfavourable variance of $0.43 EPS versus management expectations. This is mainly explained by losses recorded due to the accounting interpretation relating to cloud computing (-$0.09 EPS) and the adjustment of software, premises and furnishings book values (-$0.25 EPS), both of which are discussed later in this news release. Investment income on surplus was higher than expected (+$0.01 EPS) while financing costs were slightly higher than planned (-$0.01 EPS). At iAAH, results were below expectations (-$0.09 EPS) due to unfavourable experience and, to a lesser extent, due to higher expenses as the digital transformation accelerates. Experience was marked by intense adverse weather conditions and a higher volume of vehicle thefts.

Income taxes[†] – The effective tax rate for the quarter was 18.0%, below the 21% to 23% guidance range. As a result, the tax charge was lower than expected ($0.04 EPS gain). The variance is mainly due to a higher proportion of capital gains than anticipated.

Reinsurance – The reinsurance agreement mentioned in the Highlights section of this news release generated a gain of $0.39 EPS.

Number of shares – The redemption of 2.4 million common shares during the first nine months of 2022 under the normal-course issuer bid (NCIB) program had a favourable impact of $0.02 EPS in the third quarter.

Business growth – The Company ended the third quarter of 2022 with good business growth performance. In Canada, the Company continues to strengthen its market-leading position in all three "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, Special Markets and iA Auto and Home recorded good sales.[†] Lastly, in the U.S., Individual Insurance recorded good sales[†] growth while the Dealer Services division registered a slowdown mainly due to continued low retail sales of new and used cars.

- *Individual Insurance* – Sales[†] totalled $93 million for the third quarter, representing a significant increase year over year. This strong growth was driven in part by good performance from all networks and distributors, including strong sales from one large distributor, and by the increase in 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. As such, the Company has remained the leader in number of policies issued in Canada according to the latest industry data.

- *Individual Wealth Management* – Guaranteed product (general fund) third quarter sales[†] of $326 million were up 52% year over year as customers tend to turn to cash equivalent products when markets are volatile. Despite challenging market conditions, net fund entries were positive and amounted to $173 million in the third quarter. The Company continued to rank first in gross and net segregated fund sales[†] as at August 2022. Segregated fund gross sales[†] amounted to $782 million for the quarter compared to $1,145 million for the same period last year. Net sales resulted in positive inflows of $344 million for the quarter. Mutual fund gross sales[†] amounted to $306 million, with net outflows of $171 million during the quarter.

[4] 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 at the end of 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 $301 million in the third quarter, in line with last year's level. Sales[†] of P&C products (including extended warranties and replacement insurance) were up 17% from last year, while creditor insurance sales[†] of $64 million compared to $73 million for the same period in 2021. Car loan originations[†] amounted to $126 million compared to $132 million a year earlier. In the Employee Plans division, third quarter premiums[†] increased by 11% year over year, as retention of in-force business continues to be good. Sales[†] totalled $5 million compared to $19 million a year earlier as quoting activity volume was low during the quarter. 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 of $77 million for the third quarter were up 60% year over year, mainly driven by the strong upturn in travel sales as COVID restrictions were relaxed.

- *Group Savings and Retirement* – Sales[†] for the third quarter totalled $482 million compared to $810 million for the same period last year due to the unfavourable macroeconomic context. Note that sales in this division vary considerably from one quarter to another based on the size of the contracts sold.

- *US Operations* – For the third quarter, Individual Insurance sales[†] totalled US$35 million, up 3% compared to the same period last year. In the Dealer Services division, third quarter sales[†] totalled US$261 million compared to total sales of US$295 million a year ago, a decrease mainly due to low retail sales of new and used cars, which both continued to decline from last year, especially for used cars.

- *General Insurance (iA Auto and Home)* – Direct written premiums amounted to $124 million in the third quarter and are up 5% year over year.

- *Assets under management and administration*[†] ended the third quarter at $196.2 billion, down 8% from a year earlier but up 1% during the quarter. Although up slightly quarter over quarter, growth in asset levels in 2022 is tempered by unfavourable financial market conditions and rising interest rates.

- *Premiums and deposits* totalled nearly $3.3 billion in the third quarter compared to a strong quarter of $4.1 billion a year earlier. The unfavourable variation was driven by both wealth sectors, where the industry as a whole is facing challenges amid a difficult macroeconomic environment. All other business lines recorded an increase in premiums and deposits in the third quarter compared to the same period last year.

Financial position – The solvency ratio[†] was 130% at September 30, 2022, compared with 131% a year earlier. This result is above the Company's target range of 110% to 116% and the same as at the end of the previous quarter. This is explained by the contribution of organic capital generation[†] and the impacts of the reinsurance agreement (mentioned below) being offset by unfavourable macroeconomic variations, a portfolio adjustment in view of the transition to IFRS 17 and the NCIB share redemption. The Company's leverage ratio[†] at September 30, 2022 was 23.4%.

Capital generation[†] – The Company organically generated approximately $160 million in additional capital during the third quarter.

Book value[5] – The book value per common share was $62.38 at September 30, 2022, up 2% from the last quarter and 3% year over year.

Dividend – The Company paid a quarterly dividend of $0.6750 to common shareholders in the third quarter of 2022. The Board of Directors approved a quarterly dividend of $0.6750 per common share payable in the fourth quarter of 2022, the same as in the third quarter, on the outstanding common shares of iA Financial Corporation. This dividend is payable on December 15, 2022 to the shareholders of record at November 18, 2022. In the third quarter of 2022, iA Insurance paid a dividend of $150 million to its sole common shareholder, iA Financial Corporation. For the fourth quarter of 2022, the Board of Directors of iA Insurance approved the declaration of a dividend of $150 million to its sole common shareholder, iA Financial Corporation.

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 December 15, 2022 must ensure that the duly completed form is delivered to Computershare no later than 4:00 p.m. on November 11, 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.

[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 at the end of this document for relevant information about such measures.

Normal Course Issuer Bid – In the third quarter of 2022, the Company redeemed and cancelled 1,077,000 outstanding common shares for a total value of $72.8 million under the NCIB program. The Company's board of directors has authorized the early termination of the NCIB in effect since December 6, 2021 ("Terminated NCIB") and the establishment of a new NCIB. The Terminated NCIB will expire at the close of markets on November 11, 2022 and the new NCIB will begin on November 14, 2022 and end on November 13, 2023. With the approval of the Toronto Stock Exchange and the Autorité des marchés financiers, the board of directors has also authorized the Company to purchase, in the normal course of its activities, from November 14, 2022 to November 13, 2023, up to 7,872,259 common shares, representing approximately 7.48% of its public float as at November 1, 2022, or 5,265,045 common shares representing 5% of the issued and outstanding common shares after the deduction required by the Toronto Stock Exchange of the 2,607,214 common shares purchased under the Terminated NCIB.

Partnership with Hyundai and Genesis – On August 31, 2022, iA Financial Group announced a partnership with Hyundai Motor Finance and Genesis Finance, making iA the new administrator of the Hyundai and Genesis Extended Protection Programs. The addition of this branded program represents yet another step in the Company's ongoing plan to have more distribution agreements with OEMs. The programs provide for a full suite of branded protection products, which will be administered by the Company. The products will be available at Hyundai and Genesis dealerships and distributors across Canada as of March 1, 2023, with a lease-end protection product which has been available since October 1, 2022.

Reinsurance agreement – In the context of its ongoing risk management initiatives, the Company took advantage of a competitive reinsurance environment to sign a reinsurance treaty in its US Operations' Individual Insurance division. This agreement took effect on July 1, 2022 and generated a gain of $0.39 EPS during the third quarter and increased the solvency ratio by one percentage point.

Adjustment of software, premises and furnishings book values – As part of the Company's ongoing digital transformation, an analysis of software book values was conducted, and certain values have been adjusted downwards. In addition, in the process of adapting our offices to meet our vision of the future of work, coupled with the implications of remote working accelerated by the pandemic, we have revamped our office premises and furnishings. The combination of these two adjustments has adversely impacted third quarter results by $0.25 EPS.

Accounting interpretation of IASB'S decision relating to cloud computing arrangements – The Company has finalized its analysis of the International Accounting Standards Board's (IASB) findings with respect to cloud computing arrangements. The accounting change only impacts the timing of the recognition of the IT expense in net income. As a result, a retroactive application for the first six months of 2022 for software as a service (SaaS) has been recorded and resulted in an adverse impact of $0.09 EPS in the third quarter. Furthermore, the application of this accounting interpretation from July 1, 2022 onwards results in higher expenses of $0.03 in the third quarter and an estimated ~$0.04 in the fourth quarter of this year.

Annual actuarial assumption review – The annual review of actuarial assumptions has begun and will be finalized in the coming weeks. The final results will be reported on February 14, 2023, with the fourth quarter 2022 earnings release. At the moment, the impact of the annual actuarial assumption review on the fourth quarter 2022 net income is expected to be near-neutral.

Philanthropic contest – On September 14, 2022, the sixth edition of the Company's philanthropic contest was launched. A total of $500,000 in donations will be shared by charities whose mission, or a component of their mission, is dedicated to supporting people with disabilities and their communities. The winners will be announced on December 5.

Subsequent to the quarter:

- **Progressive Aboriginal Relations (PAR) program** – Following the Company's undertaking to obtain Progressive Aboriginal Relations (PAR) certification, on October 25, 2022, a first step was completed and the Company can now be designated as committed to the PAR program. The Company has until Q4/2025 to complete the program and become PAR certified.

- **Recognition of Alain Bergeron's leadership in responsible investment** – On October 6, Alain Bergeron, Executive Vice-President and Chief Investment Officer, was named one of Clean50's sustainability leaders in Canada. The Clean50 selection committee emphasized the rapid strengthening of sustainable stewardship across all investments. Among other things, the Company has almost doubled the number of SRI funds from 10 to 18, formalized and published a responsible investment policy, increased the level of engagement with companies and supported a sustainable bond issue.

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

OUTLOOK

Transition to IFRS 17 and IFRS 9 and outlook – 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.

As the Company transitions to these new standards, it continues to be managed with a long term vision to protect the strength and quality of its balance sheet under IFRS 4. Among other things, the Company has kept additional protections in the reserving process, has provisioned prudently for financial guarantees and has positioned assumptions to limit gains on new business.

Based on the information available as at September 30, 2022, the following expected impacts[6] of IFRS 9 and IFRS 17 are estimated at transition[7]:

- Book value: near-neutral
- Contractual service margin (CSM) level: more than $5 billion
- Solvency ratio: increase of more than 20 percentage points
- Capital available for deployment: very favourable

And the following expected impacts[6] on 2022 results under IFRS 9 and IFRS 17 are estimated on a preliminary basis:

- Book value: near-neutral to slightly negative at September 30, 2022[8]
- Solvency ratio: increase of more than 20 percentage points[8]
- Core ROE: favourable
- Core EPS level: favourable
- Core EPS growth: near-neutral on 2022+ results (i.e. 10%+ annual growth on average)
- Organic capital generation: favourable

Under IFRS 17 and IFRS 9, core earnings will continue to be the best indicator of the Company's ability to generate sustainable earnings, eliminating the short-term volatility that may result from the de-linking between assets and liabilities under the new accounting regime.

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

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 or actions by regulatory authorities that could have a material impact on the business or operations of iA Financial Group or its business partners; 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.

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[6] Expected estimated combined impact of IFRS 9 and IFRS 17, according to information available as at September 30, 2022. Also, these items are non-IFRS measures.[†]
[7] IFRS 9 and IFRS 17 transition on January 1, 2022.
[8] IFRS 9 and IFRS 17 preliminary estimate at September 30, 2022 vs. IFRS 4 result at September 30, 2022.

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

THIRD QUARTER HIGHLIGHTS – iA Insurance

Profitability – In the third quarter of 2022, iA Insurance recorded net income attributed to its sole common shareholder, iA Financial Corporation, of $245 million, compared to $216 million a year earlier.

Financial position – The solvency ratio† for iA Insurance was 124% at September 30, 2022, up from 121% a year earlier and up one percentage point from the previous quarter. The increase during the third quarter is mainly due to the contribution of organic capital generation† and the impacts of the reinsurance agreement, which were partially offset by unfavourable macroeconomic variations and the dividend payment to the Company's sole common shareholder.

Dividend – iA Insurance paid a dividend of $150 million in the third quarter of 2022. For the fourth quarter of 2022, the Board of Directors of iA Insurance approved the declaration of a dividend of $150 million to its sole common shareholder, iA Financial Corporation. As a result, a dividend of $150 million should be paid, in whole or in part, by iA Insurance to iA Financial Corporation during the fourth quarter.

iA Insurance						
Earnings Highlights	**Third quarter**			**Year-to-date at September 30**		
(In millions of dollars, unless otherwise indicated)	**2022**	**2021**	**Variation**	**2022**	**2021**	**Variation**
Net income attributed to shareholders	248	222	12%	638	636	—
Less: dividends on preferred shares	3	6	(50%)	14	17	(18%)
Net income attributed to common shareholder	245	216	13%	624	619	1%

Other Financial Highlights				
(In millions of dollars, unless otherwise indicated)	**September 30, 2022**	**June 30, 2022**	**December 31, 2021**	**September 30, 2021**
Total capital†	6,353	6,289	6,584	6,372
Solvency ratio†	124%	123%	127%	121%

GENERAL INFORMATION

Non-IFRS and Additional Financial Measures

iA Financial Corporation and iA Insurance 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 document presents non-IFRS measures used by the Company when evaluating its results and measuring its performance.

For relevant information about non-IFRS measures used in this document, see the "Non-IFRS and Additional Financial Measures" section in the Management's Discussion and Analysis for the period ending September 30, 2022, which is hereby incorporated by reference and is available for review at sedar.com or on iA Financial Group's website at ia.ca.

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

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 inflation; level of competition and consolidation; changes in laws and regulations, including tax laws and changes made to capital and liquidity guidelines; actions by regulatory authorities that may affect the business or operations of iA Financial Group or its business partners; 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 or actions by regulatory authorities that could have a material impact on the business or operations of iA Financial Group or its business partners; 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 third quarter results, investors are invited to consult the Management's Discussion and Analysis for the quarter ended September 30, 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 third quarter results on Wednesday, November 9, 2022 at 2:00 p.m. (ET). The dial-in number is 416-641-6202 or 1-800-768-6483 (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 Wednesday, November 9, 2022. To access the conference call replay, dial 1-800-558-5253 (toll-free) and enter access code 22020312. 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).

Investor Relations
Marie-Annick Bonneau
Office: 418-684-5000, ext. 104287
Email: marie-annick.bonneau@ia.ca

Media Relations
Pierre Picard
Office: 418-684-5000, ext. 101660
Email: pierre.picard@ia.ca

To receive iA Financial Group news releases by email, you can sign up for our newsletter on our website at ia.ca.