iA Financial Corporation Inc.

Management's Discussion and Analysis for the First Quarter of 2022

May 12, 2022

iA Financial Group

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis for iA Financial Corporation Inc. ("iA Financial Corporation" or the "Company") is dated May 12, 2022. This Management's Discussion and Analysis should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three months ended March 31, 2022 and 2021. It should also be read with the Management's Discussion and Analysis and the audited consolidated financial statements for the year ended December 31, 2021. The Rolling Nine Quarters Financial Information Package may contain additional data that complements the information in this Management's Discussion and Analysis.

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† 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.

HIGHLIGHTS

Profitability

	First quarter		
	2022	2021	Variation
Net income attributed to common shareholders (in millions)	$151	$173	(13%)
Weighted average number of common shares (diluted) (in millions)	108	108	—
Earnings per common share (EPS) (diluted)	$1.40	$1.61	(13%)
Core earnings per common share (EPS)† (diluted)	$1.79	$1.79	—

Return on common shareholders' equity (ROE)†	March 31, 2022	December 31, 2021	March 31, 2021
Reported ROE (trailing twelve months)	12.8%	13.2%	12.7%
Core ROE† (trailing twelve months)	14.1%	14.2%	13.6%

The Company ended the first quarter of 2022 with net income to common shareholders of $151 million compared to $173 million in the same quarter last year. Diluted earnings per common share (EPS) of $1.40 in the first quarter of 2022 compares to $1.61 a year earlier.

Return on common shareholders' equity (ROE)† was 12.8% at March 31, 2022, slightly up from 12.7% one year earlier. ROE† is calculated on a trailing-twelve-month basis.

Diluted core EPS† of $1.79 in the first quarter is similar to last year's result. Core ROE† for the last twelve months is 14.1% at March 31, 2022, in the middle of guidance of 13% to 15% and up from 13.6% a year earlier.

Business growth – Total assets under management and administration† were up 6% from the same period in 2021, amounting to $213.9 billion at March 31, 2022. Premiums and deposits† totalled more than $4.4 billion in the first quarter, close to the record achieved in the same period in 2021. In Canada, we continue to strengthen our market position in all three of our "Foundation"[1] businesses. Individual Insurance recorded very strong sales,† as did Individual Wealth Management, in particular segregated funds, with record net sales† of more than $1.0 billion. In mutual funds, amid an industry downturn in gross and net sales,† the Company recorded good results, with net inflows of $83 million. Also, Dealer Services in Canada showed significant sales† growth despite persisting vehicle inventory shortages. In addition to their "Support"[1] of branding and synergies with other businesses, Special Markets had significant sales† growth, iA Auto and Home recorded good sales† and Group Savings and Retirement had strong sales† of $625 million. In the U.S., the "Expansion"[1] businesses of Individual Insurance and Dealer Services recorded good sales† results for the quarter.

Financial position – The solvency ratio† was 132% at March 31, 2022, 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 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%.

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 – The book value per common share[2] was $61.04 at March 31, 2022, up 7% year over year and down 2% from the last quarter.

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

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.

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 criterion 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.

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.

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.

Unless otherwise indicated, the results presented in this document are compared with those from the corresponding period last year.

† 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.

BUSINESS GROWTH

Business growth is measured by growth in sales, premiums and assets under management and administration.[†] Sales[†] measure the Company's ability to generate new business and are defined as fund entries on new business written during the period. Net premiums, which are part of the revenues presented in the financial statements, include both fund entries from new business written and from in-force contracts. Assets under management and administration[†] measure the Company's ability to generate fees, particularly for investment funds and funds under administration. An additional analysis of revenues by line of business is presented in the "Analysis According to the Financial Statements" section of this Management's Discussion and Analysis.

Net Premiums, Premium Equivalents and Deposits[†,1]

	First quarter		
(In millions of dollars)	**2022**	**2021**	**Variation**
Individual Insurance	476	419	57
Individual Wealth Management	2,430	2,548	(118)
Group Insurance	500	429	71
Group Savings and Retirement	618	687	(69)
US Operations	289	247	42
General Insurance[2]	99	92	7
Total	4,412	4,422	(10)

Premiums and deposits totalled more than $4.4 billion in the first quarter, slightly below a very strong quarter a year earlier.

Assets Under Management and Administration[†]

(In millions of dollars)	**March 31, 2022**	**December 31, 2021**	**March 31, 2021**
Assets under management[†]			
General fund	51,835	55,082	52,238
Segregated funds	38,874	39,577	33,437
Mutual funds	13,309	13,955	12,031
Other	3,026	2,862	3,913
Subtotal	107,044	111,476	101,619
Assets under administration[†]	106,905	109,687	99,629
Total	213,949	221,163	201,248

Assets under management and administration[†] ended the first quarter at $213.9 billion, up 6% from the previous year and down 3% during the quarter. Unfavourable market conditions and rising interest rates, which reduced the value of the bond portfolio in the general fund, mostly explained the decline in assets under management and administration during the period.

1 Premiums and deposits include all premiums collected by the Company for its insurance and annuity activities (and posted to the general fund), all amounts collected for segregated funds (which are also considered to be premiums), deposits[†] from the Group Insurance, Group Savings and Retirement and US Operations sectors and mutual fund deposits.

2 Includes iAAH and some minor consolidation adjustments.

† 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.

Sales Growth by Line of Business[3]

(In millions of dollars, unless otherwise indicated)	First quarter		
	2022	2021	Variation
Individual Insurance			
Minimum premiums	92	54	70%
Excess premiums	9	4	125%
Total	101	58	74%
Individual Wealth Management			
Gross sales			
General fund	239	229	4%
Segregated funds	1,500	1,377	9%
Mutual funds	691	942	(27%)
Total	2,430	2,548	(5%)
Net sales (after redemptions and transfers)			
Segregated funds	1,009	972	37
Mutual funds	83	378	(295)
Group Insurance			
Employee Plans	11	87	(87%)
Dealer Services			
Creditor Insurance	43	43	—
P&C Insurance	77	64	20%
Car loan originations†	178	124	44%
Special Markets	74	47	57%
Group Savings and Retirement	625	693	(10%)
US Operations ($US)			
Individual Insurance	33	31	6%
Dealer Services – P&C Insurance[4]	243	233	4%
General Insurance			
iAAH (auto and home insurance)	88	84	5%

Individual Insurance in Canada – 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 high 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, as well as 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.

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, an increase of $37 million from the solid first quarter of 2021. 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. Finally, guaranteed product (general fund) sales of $239 million for the first quarter were up 4% year over year.

[3] Sales are not an IFRS measure.
[4] Property and casualty insurance.

† 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.

Group Insurance – Employee Plans – Sales[†] totalled $11 million compared to $87 million a year earlier as the volume of quoting activities decreased during the quarter. On the other hand, premiums[†] are up 12% year over year, mainly due to good retention of in-force business. Note that sales[†] in this division vary considerably from one quarter to another based on the size of the contracts sold.

Group Insurance – Dealer Services – Total sales[†] amounted to $298 million in the first quarter, up 29% from a year earlier. By product, P&C sales (including extended warranties and replacement insurance) were up 20% year over year, while creditor insurance sales of $43 million were similar to a year ago. Car loan originations[†] were up 44% over the same period in 2021 as an upward trend in the near-prime market was observed during the quarter. Note that while the effect of low vehicle inventories is not reflected in the very good results of Q1, this situation is expected to be more prevalent than in 2021, which should have an impact on sales in the coming quarters.

Group Insurance – Special Markets – First quarter sales[†] of $74 million were up 57% year over year, mainly driven by a recovery in travel medical sales.

Group Savings and Retirement – Sales[†] of $625 million in the first quarter were mainly supported by accumulation product sales. Although very strong, they compare to $693 million for the same period last year, when several groups with sizable assets were signed.

US Operations – Individual Insurance sales[†] in the first quarter totalled US$33 million, up 6% from a year earlier. In the Dealer Services division, first quarter sales[†] amounted to US$243 million, up 4% year over year, despite dealerships being more heavily impacted by the new and used vehicle inventory shortages than in past quarters. Note that like in Canada, the low vehicle inventory situation is expected to impact sales for the remainder of the year in this division.

General Insurance (iA Auto and Home) – Direct written premiums totalled $88 million in the first quarter, up 5% from the same period last year.

ANALYSIS ACCORDING TO SOURCES OF EARNINGS

This section contains measures that have no IFRS equivalents. See "Non-IFRS Financial Information" at the end of this document for more information and an explanation of the adjustments applied in the Company's core earnings[†] calculation.

Core earnings[†]

Core earnings is a non-IFRS measure that represents management's view of the Company's capacity to generate sustainable earnings. Diluted core EPS of $1.79 in the first quarter is similar to last year's result. Four items were adjusted in the core earnings[†] calculation for the quarter, representing an increase of $0.39 EPS versus reported EPS. The table below reconciles the Company's reported and core earnings.[†]

Reported Earnings and Core Earnings[†] Reconciliation

	First quarter			
	Earnings	EPS (diluted basis)		
(in millions of dollars after tax unless otherwise indicated)	**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	—

† 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.

Results According to Sources† of Earnings on a Core and Reported Basis

Results according to the sources of earnings present the key variations between the net income and the Company's expectations for the three-month period ended March 31, 2022. This data complements the information presented in the "Analysis According to the Financial Statements" section and provides additional information to better understand the Company's financial results. The two tables below present the results according to sources of earnings on both a core and reported basis.

Results According to Sources of Earnings† – Core Basis

	First quarter		
(In millions of dollars, unless otherwise indicated)	**2022**	**2021**	**Variation**
Core operating profit (loss)			
Expected profit on in-force†	236	217	
Experience gain (loss)	(22)	1	
Impact of new business (strain)	(10)	(5)	
Changes in assumptions and management actions	—	—	
Total	204	213	
Core income on capital†	45	52	
Core income (loss) before income taxes	249	265	(6%)
Core income taxes†	(50)	(67)	
Core net income (loss) attributed to shareholders	199	198	
Dividends on preferred shares issued by a subsidiary	6	6	
Core net income (loss) attributed to common shareholders	193	192	1%

Results According to Sources of Earnings† – Reported Basis

	First quarter		
(In millions of dollars, unless otherwise indicated)	**2022**	**2021**	**Variation**
Operating profit (loss)			
Expected profit on in-force†	225	204	
Experience gain (loss)	(45)	7	
Impact of new business (strain)	(10)	(5)	
Changes in assumptions and management actions	—	—	
Total	170	206	
Income on capital†	23	34	
Income (loss) before income taxes	193	240	(20 %)
Income taxes†	(36)	(61)	
Net income (loss) attributed to shareholders	157	179	
Dividends on preferred shares issued by a subsidiary	6	6	
Net income (loss) attributed to common shareholders	151	173	(13%)

Analysis According to Sources of Earnings† on a Reported Basis

Net income attributed to common shareholders was $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† – The expected profit on in-force† represents the portion of income expected to come from policies and contracts in force at the beginning of the period based on management's best-estimate assumptions when the 2022 budget was prepared. Expected profit for the wealth lines is updated quarterly to reflect changes in the stock markets and net fund entries.

For the first quarter, expected profit on in-force† (EPIF) of $225 million pre-tax was up by 10% or $21 million year over year. The expected profit on in-force growth is mainly the result of organic growth, along with the impact of high net fund entries in 2021 and financial market variations on the wealth sectors.

† 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.

Experience gains (losses) versus expected profit† – Experience gains or losses 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. Experience gains and losses† include market impact, policyholder experience and certain specific items.

In the first quarter of 2022, the Company recorded a net experience loss of $45 million, or $33 million after tax (-$0.30 EPS). The market-related variations mentioned below are responsible for more than half of this loss. 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* – This business line recorded an after-tax loss of $16 million (-$0.15 EPS) 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). Finally, other small unfavourable deviations from plan were recorded (-$0.01 EPS).

- *Individual Wealth Management* – Experience for this business line was unfavourable in the first quarter (after-tax loss of $8 million or -$0.07 EPS). This is due to market-related variations, which had a 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* – This business line recorded an after-tax loss of $7 million for the quarter (-$0.06 EPS). 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* – This business line 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* – Experience in this business line was below expectations for the quarter with an after-tax loss of $2 million (-$0.02 EPS). 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 units 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† – Income taxes† amounted to $36 million in the first quarter for an effective tax rate of 18.7%, below the 21% to 23% guidance range. As a result, the tax charge was lower than expected ($0.03 EPS gain).

† 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.

ANALYSIS ACCORDING TO THE FINANCIAL STATEMENTS

The following analysis should be read in conjunction with Note 15 "Segmented Information" in the Company's unaudited interim condensed consolidated financial statements.

Consolidated Income Statements			
	First quarter		
(In millions of dollars)	2022	2021	Variation
Revenues			
Net premiums	3,614	3,375	239
Investment income	(3,997)	(3,550)	(447)
Other revenues	535	506	29
Total	152	331	(179)
Less: policy benefits and expenses	(41)	98	(139)
Income before income taxes	193	233	(40)
Less: income taxes	36	59	(23)
Net income	157	174	(17)
Less: net income attributed to participating policyholders	—	(5)	5
Net income attributed to shareholders	157	179	(22)
Less: dividends on preferred shares issued by a subsidiary	6	6	—
Net income attributed to common shareholders	151	173	(22)

Revenues

The following table presents the composition of revenues by line of business.

Revenues by Line of Business							
	First quarter						
(In millions of dollars)	Individual Insurance	Individual Wealth Management	Group Insurance	Group Savings and Retirement	US Operations	Other	Total
Net premiums	476	1,739	453	618	229	99	3,614
Variation vs. 2021	*57*	*133*	*54*	*(42)*	*30*	*7*	*239*
Investment income	(3,430)	(105)	(42)	(316)	(147)	43	(3,997)
Variation vs. 2021	*(374)*	*80*	*(25)*	*(108)*	*(28)*	*8*	*(447)*
Other revenues	29	458	17	28	86	(83)	535
Variation vs. 2021	*0*	*44*	*0*	*(2)*	*19*	*(32)*	*29*
Total	(2,925)	2,092	428	330	168	59	152
Variation vs. 2021	*(317)*	*257*	*29*	*(152)*	*21*	*(17)*	*(179)*

Net premiums – The $239 million increase over the first quarter of 2021 is mainly explained by:

- Segregated fund net premium growth in the Individual Wealth Management sector.
- To a lesser extent, increased premiums in the Individual and Group Insurance sectors, mainly due to business growth.

† 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.

Other factors that can cause premiums to fluctuate from one quarter to another are generally as follows:

- The tendency of clients to concentrate their deposits† in registered retirement savings products during the first 60 days of the year.
- The signing of new agreements with large groups in the group business lines.

Note that net premiums include amounts invested by insureds in segregated funds, but do not include those invested by clients in mutual funds.

Investment income – The $447 million decrease in investment income compared to the first quarter of 2021 is largely due to the decrease in the fair value of bond and derivative financial instrument investments supporting the insurance contract liabilities, mainly caused by variations in interest rates.

Note that investment income mostly fluctuates based on variations in the fair value of investments due to changes in interest rates, stock markets and issuer spreads, particularly for bonds, equities and derivatives. Investment income also varies based on interest income, dividends, rental income from real estate and realized profits and losses on the disposition of available-for-sale assets.

From an accounting standpoint, the majority of stocks and bonds are classified as “Designated at fair value through profit or loss” and are used as underlying assets for the provisions for future policy benefits. The variation in the fair value of these assets is therefore reflected in the increase (decrease) in insurance contract liabilities.

Other revenues – Other revenues generally represent fees earned from the management of segregated funds and mutual funds, income from administrative services only (ASO) contracts, and fee income from the Company’s brokerage subsidiaries and assets managed for third parties. Other revenues were up $29 million in the first quarter compared to the same period last year, essentially due to business growth in Individual Wealth Management.

Policy Benefits and Expenses

Policy benefits and expenses decreased by $139 million in the first quarter compared to the same period last year. This decrease is explained by:

- A variation in net benefits and claims on contracts reflecting the normal course of business, mostly in the Groups Savings and Retirement sector. Net benefits and claims on contracts include benefits paid due to death, disability, illness, claims or contract terminations, as well as annuity payments.

- A decrease in insurance contract liabilities, essentially due to the significant increase in interest rates. The variation in this liability during a given period reflects a number of factors, including the variation in the fair value and the return on assets matched to the provisions for future policy benefits, the variation in net policy premiums and benefits, net transfers to segregated funds and variations in the provisions for future policy benefits due to assumption changes.

The decrease in policy benefits and expenses was mitigated by:

- A variation in net transfers to segregated funds in the Group Savings and Retirement sector.
- To a lesser extent, an increase in commissions related to net premium growth.

Income Taxes

For the first quarter of 2022, the Company recorded an income tax expense of $36 million versus $59 million in 2021. These amounts represent the Company’s tax expense net of adjustments for prior years and are consistent with the variation in income before income taxes.

Net Income Attributed to Common Shareholders

Net income attributed to common shareholders totalled $151 million for the first quarter of 2022, compared to $173 million for the same period last year. The variation is primarily explained by the factors mentioned in this section.The following table presents a summary of iA Financial Corporation’s financial results for the last nine quarters.

† 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.

Selected Financial Data

(In millions of dollars, unless otherwise indicated)	2022	2021				2020			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	152	5,977	3,834	5,344	331	4,518	4,099	6,684	2,338
Net income attributed to common shareholders	151	209	217	231	173	172	217	183	39
Earnings per common share (in dollars)									
Basic	1.40 $	1.95 $	2.01 $	2.16 $	1.61 $	1.61 $	2.03 $	1.71 $	0.37 $
Diluted	1.40 $	1.94 $	2.01 $	2.15 $	1.61 $	1.60 $	2.03 $	1.71 $	0.36 $

Related Party Transactions
There are no material related party transactions outside the normal course of business to report for the first quarter of 2022.

Liquidity
To honour its commitments, the Company maintains a sufficient level of liquidity by holding a proportion of marketable high-quality securities and strictly managing cash flows and matching.

Given the volatility of the financial markets, the Company carries out simulations to measure its liquidity needs under various scenarios, some of which can be qualified as extreme. In light of the simulations carried out, and given the quality of its investment portfolio, the Company believes its current level of liquidity is not an issue.

For more information on liquidity risk and how this risk is managed, refer to the "Risk Management" section of the Company's 2021 Annual Report.

The Company also has certain investment commitments as well as a line of credit. Its investment commitments correspond to various contractual commitments related to commercial and residential loan offers, private placements, joint ventures and real estate which are not reflected in the financial statements and may not be fulfilled.

For more information on the Company's commitments, refer to Note 18 of the Company's unaudited interim condensed consolidated financial statements.

Accounting Policies and Main Accounting Estimates
The Company's first quarter unaudited interim condensed consolidated financial statements were prepared as outlined in Note 1 "General Information" of the financial statements.

The preparation of financial statements requires management to exercise judgment and make estimates and assumptions that affect the reported amounts of assets and liabilities, net income and additional information. Actual results could differ from management's best estimates. Management has exercised its judgment and made estimates and assumptions as outlined in Note 2 b) of the consolidated financial statements in the iA Financial Group 2021 Annual Report.

More information on new accounting policies applied and future changes in accounting policies is presented in Note 2 "Changes in Accounting Policies" of the unaudited interim condensed consolidated financial statements.

† 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.

INVESTMENTS

Investment Mix			
(In millions of dollars, unless otherwise indicated)	**March 31, 2022**	**December 31, 2021**	**March 31, 2021**
Book value of investments	42,037	45,651	42,499
Allocation of investments by asset class			
Bonds	70.1%	72.1%	71.9%
Stocks	9.6%	8.5%	8.2%
Mortgages and other loans	6.9%	6.4%	6.8%
Investment properties	4.5%	4.1%	4.4%
Policy loans	2.7%	2.3%	2.2%
Cash and short-term investments	3.4%	3.4%	3.2%
Other	2.8%	3.2%	3.3%
Total	100.0%	100.0%	100.0%

The total value of the investment portfolio was more than $42 billion at March 31, 2022, down from December 31, 2021. The decrease is primarily explained by the negative impact of rising interest rates on the bond portfolio, which constitutes more than 70% of the total investment portfolio. The above table shows the main asset classes that make up the Company's investment portfolio.

Quality of Investments			
(In millions of dollars, unless otherwise indicated)	**March 31, 2022**	**December 31, 2021**	**March 31, 2021**
Gross impaired investments	23	23	23
Provisions for impaired investments	6	6	6
Net impaired investments	17	17	17
Net impaired investments as a % of total investments[†]	0.04%	0.04%	0.04%
Bonds – Proportion rated BB or lower	1.02%	0.94%	1.01%
Mortgages – Proportion of securitized and insured loans[1]	26.1%	26.0%	24.4%
– Proportion of insured loans	45.8%	45.2%	48.6%
– Delinquency rate	—	—	—
Investment properties – Occupancy rate	91.4%	91.5%	94.6%
Car loans – Average credit loss rate (non-prime)[†,2]	2.3%	2.3%	3.0%

The indicators in the above table confirm the quality of the investment portfolio. For investment properties, the occupancy rate remained at an excellent level, above that of the Canadian office market. Lastly, the temporary low credit loss trend for car loans is attributed to continued client payment patterns arising in part from enhanced government support programs. As clients' spending behaviour returns to normal and interest rates rise, the credit loss rate is expected to start increasing and returning to pre-pandemic levels in the coming quarters.

Derivative Financial Instruments			
(In millions of dollars, unless otherwise indicated)	**March 31, 2022**	**December 31, 2021**	**March 31, 2021**
Total notional amount ($B)	30	31	31
Company's credit risk			
AA - or higher	100%	100%	100%
A +	—	—	—
Positive fair value	633	917	841
Negative fair value	1,140	526	968

[1] A marginal portion of the securitized and insured loans may be uninsured at the end of the quarter.
[2] Represents the non-prime credit losses for the last twelve months divided by the average finance receivables† over the same period.

† 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 Company uses derivative financial instruments in the normal course of managing the risks associated with fluctuations in interest rates, stock markets, currencies and the fair value of invested assets. These instruments are composed of various types of contracts, including interest rate swaps, market index and exchange rate contracts, forward agreements, futures contracts, and market index and currency options.

Derivative financial instruments are used as part of the Company's hedging program designed to alleviate the sensitivity of segregated fund guarantees to interest rate and stock market fluctuations. They are also used to hedge the Company's foreign exchange and interest rate risks and as part of investment strategies to reduce the Company's risk profile.

The positive fair value represents the amounts payable to the Company by the different counterparties. This amount fluctuates from one period to another according to changes in interest rates, equity markets and exchange rates. Conversely, negative fair value represents the amount payable by the Company to the different counterparties.

For more information, refer to Note 5 and Note 8 of the Company's unaudited interim condensed consolidated financial statements.

FINANCIAL POSITION

Capitalization†

(In millions of dollars)	March 31, 2022	December 31, 2021	March 31, 2021
Equity			
Common shares	1,716	1,706	1,689
Preferred shares issued by a subsidiary	525	525	525
Contributed surplus	16	17	18
Retained earnings	5,113	4,963	4,405
Accumulated other comprehensive income	(277)	(14)	(1)
Subtotal	7,093	7,197	6,636
Debentures	1,498	1,450	1,449
Participating policyholders' accounts	48	48	36
Total	8,639	8,695	8,121

The Company's capital totalled more than $8.6 billion at March 31, 2022 compared to $8.7 billion at December 31, 2021. The variation for the quarter is mainly explained by a decrease in accumulated other comprehensive income resulting from rising interest rates and credit spreads, which was partly offset by the increase in retained earnings and debentures. The increase in debentures is due to the redemption of $250 million and the issuance of $300 million in February, as detailed in the *Highlights* section of this document.

Solvency[1]

(In millions of dollars, unless otherwise indicated)	March 31, 2022	December 31, 2021	March 31, 2021
Available capital			
Tier 1	2,779	2,985	2,755
Tier 2	2,078	1,997	1,711
Surplus allowance and eligible deposits	4,876	5,261	4,704
Total	9,733	10,243	9,170
Base solvency buffer	7,365	7,640	7,190
Solvency ratio†	132%	134%	128%

The Company ended the first quarter of 2022 with a solvency ratio† of 132%. 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 contribution of organic capital generation† and the net positive impact of the February debenture redemption and issuance.

[1] This table uses non-IFRS measures to assess the Company's ability to meet regulatory capital requirements; see the "Non-IFRS and Additional Financial Measures" section in this document for relevant information about such 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.

During the first quarter, the Company organically generated approximately $100 million in additional capital.

Financial Leverage

	March 31, 2022	December 31, 2021	March 31, 2021
Debt ratio			
Debentures/capital†	17.3%	16.7%	17.8%
Debentures + preferred shares issued by a subsidiary/capital†	23.4%	22.7%	24.3%
Coverage ratio†	15.6x	16.1x	14.0x

The debt ratios increased during the first quarter due to the increase in debentures following the February redemption and issuance and the decrease in the Company's total capital. The coverage ratio decreased during the quarter essentially due to lower first-quarter earnings.

Book Value per Common Share[2] and Market Capitalization

	March 31, 2022	December 31, 2021	March 31, 2021
Book value per common share[2]	$61.04	$62.01	$56.95
Number of common shares outstanding	107,643,177	107,557,577	107,343,977
Value per share at close	$76.01	$72.38	$68.33
Market capitalization	$8,181,957,884	$7,785,017,423	$7,334,813,948

Book value per common share[2] was $61.04 at March 31, 2022, down 2% from December 31, 2021, and up 7% over the last twelve months. 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.

The number of common shares outstanding increased by 85,600 during the quarter. This increase is mainly due to the exercise of stock options under the stock option plan for senior managers while the Company redeemed and cancelled 108,200 outstanding common shares under the NCIB regime.

The Company's market capitalization was nearly $8.2 billion at March 31, 2022, up 5% during the first quarter and up 12% during the previous 12-month period, primarily due to the change in the Company's stock value, as the number of outstanding common shares increased only slightly.

DECLARATION OF DIVIDEND

The Board of Directors of iA Financial Corporation approved a quarterly dividend of $0.6250 per share on the Company's outstanding common shares, the same as that announced the previous quarter.

The Board of Directors of iA Insurance approved a quarterly dividend of $0.2875 per Non-Cumulative Class A Preferred Share – Series B, $0.2360625 per Non-Cumulative Class A Preferred Share – Series G, and $0.3000 per Non-Cumulative Class A Preferred Share – Series I. In the first quarter of 2022, iA Insurance paid no dividend to its sole common shareholder, iA Financial Corporation. For the second quarter of 2022, no dividend should be paid by iA Insurance to iA Financial Corporation.

Following are the amounts and dates of payment and closing of registers for the iA Financial Corporation common shares and iA Insurance preferred shares.

Declaration of Dividend

	Amount	Payment date	Closing date	
Common share – iA Financial Corporation	$0.6250	June 15, 2022	May 27, 2022	
Class A Preferred Share – Series B – iA Insurance	$0.2875	June 30, 2022	May 27, 2022	Non-cumulative dividend
Class A Preferred Share – Series G – iA Insurance	$0.2360625	June 30, 2022	May 27, 2022	Non-cumulative dividend
Class A Preferred Share – Series I – iA Insurance	$0.3000	June 30, 2022	May 27, 2022	Non-cumulative dividend

[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.

For the purposes of the *Income Tax Act* (Canada) and any corresponding provincial or territorial tax legislation, all dividends paid by iA Financial Corporation on its common shares and by iA Insurance on its preferred shares are eligible dividends.

Reinvestment of Dividends

Registered shareholders wishing to enrol in the Company'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 ia.ca under *About iA,* in the *Investor Relations/Dividends* section. Common shares issued under the Company's DRIP will be purchased on the secondary market and no discount will apply.

SENSITIVITY ANALYSIS

Sensitivity Analysis[1]			
	March 31, 2022	**December 31, 2021**	**March 31, 2021**
S&P/TSX closing value	21,890 points	21,223 points	18,701 points
Solvency ratio[†]	132%	134%	128%
Impact of a drop in the stock markets (S&P/TSX Index)[2]			
Decrease in index requiring a strengthening of provisions for future policy benefits for stocks matched to long-term liabilities	(26%)	(35%)	(24%)
Index trigger threshold	16,200 points	13,800 points	14,200 points
Net income impact for each additional 1% S&P/TSX decrease below this level	($20M)	($25M)	($21M)
Decrease in index that reduces the solvency ratio[†] to 110%	N/A[3]	N/A[3]	(84%)
Index trigger threshold	N/A[3]	N/A[3]	2,900 points
Impact on net income of a sudden 10% drop in the stock markets (over one year)	($43M)	($44M)	($34M)
Impact on net income attributed to common shareholders of a hypothetical 10 bps decrease in interest rates			
Drop in the combined metric of IRR and URR	($31M)	($43M)	($59M)
Drop in ultimate reinvestment rate (URR)	($56M)	($68M)	($60M)
Drop in initial reinvestment rate (IRR)	$25M	$25M	$1M
Decrease in short-term rates only	Non-material		
Impact on net income attributed to common shareholders of a hypothetical 10 bps increase in interest rates			
Increase in the combined metric of IRR and URR	$31M	$43M	$59M
Increase in ultimate reinvestment rate (URR)	$56M	$68M	$60M
Increase in initial reinvestment rate (IRR)	($25M)	($25M)	($1M)
Increase in short-term rates only	Non-material		

1 The sensitivity analysis is based on non-IFRS measures.
2 The S&P/TSX Index is a proxy that can move differently from our equity portfolio, which includes international public and private equities.
3 Solvency ratio will remain above 110% even if the S&P/TSX decreases to 0, all other things being equal.

† 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.

	March 31, 2022	December 31, 2021	December 31, 2020
Impact on solvency ratio (CARLI) of a sudden change in interest rates			
50 bps increase	(3%)	(1%)	(2%)
25 bps increase	(1%)	(1%)	(1%)
25 bps decrease	2%	1%	2%
50 bps decrease	3%	2%	6%
Impact on solvency ratio (CARLI) of a sudden change in credit spreads			
50 bps increase	—	2%	2%
25 bps increase	—	1%	1%
25 bps decrease	—	(1%)	(1%)
50 bps decrease	—	(2%)	(2%)

Caution related to sensitivities

The sensitivities presented above are estimates of the impact on the financial statements of sudden changes in interest rates and equity values. Actual results can differ significantly from these estimates for a variety of reasons such as the interaction between these factors, changes in business mix, changes in actuarial and investment assumptions, changes in investment strategies, actual experience differing from assumptions, the effective tax rate, market factors and limitations of our internal models. Therefore, these sensitivities should only be viewed as directional estimates of the underlying sensitivities for the respective factors based on the assumptions indicated above. Given the nature of these calculations, we cannot provide assurance that the actual impact on net income and the solvency ratio† will be as outlined.

Capital sensitivities to equity market – Equity market variation represents an immediate change in public and private equity investments (excluding infrastructure investments) at quarter-end. These sensitivities include the use of the Company's stock market protection to prevent an impact on net income and the impact of rebalancing equity hedges for the Company's dynamic hedging program. They exclude any subsequent actions on the Company's investment portfolio.

NOTICE AND GENERAL INFORMATION

Internal Control Over Financial Reporting

No changes were made to the Company's internal control over financial reporting during the interim period ended March 31, 2022, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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*: The core earnings definition provides a supplementary measure to understand the underlying operating business performance compared to IFRS net earnings. Also, core earnings helps in explaining results from period to period by excluding items that are simply non-representative of the business performance from period to period. 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 also helps in better understanding 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 this document.

- 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 this document.

- 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 this document.

- 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.

RECONCILIATION OF SELECT NON-IFRS FINANCIAL MEASURES

Group Insurance – Employee Plans – Premiums and equivalents

First quarter	QTD			YTD		
(in millions of dollars, unless otherwise indicated)	**2022**	**2021**	**Variation**	**2022**	**2021**	**Variation**
Total – Premiums	303	282	7%	303	282	7%
ASO	26	24	8%	26	24	8%
Investment contracts	21	6	250%	21	6	250%
Total – Premiums and equivalents	**350**	**312**	**12%**	**350**	**312**	**12%**

Group Savings and Retirement – Sales (gross premiums)

First quarter	QTD			YTD		
(in millions of dollars, unless otherwise indicated)	**2022**	**2021**	**Variation**	**2022**	**2021**	**Variation**
Recurring premiums	423	384	10%	423	384	10%
Transfers	177	255	(31%)	177	255	(31%)
Premium equivalents	—	27	(100%)	—	27	(100%)
Subtotal	**600**	**666**	**(10%)**	**600**	**666**	**(10%)**
Insured annuities	25	27	(7%)	25	27	(7%)
Total sales (gross premiums)	**625**	**693**	**(10%)**	**625**	**693**	**(10%)**

Group Insurance – Total – Net premiums and premium equivalents						
First quarter	**QTD**			**YTD**		
(in millions of dollars, unless otherwise indicated)	**2022**	**2021**	**Variation**	**2022**	**2021**	**Variation**
iA SAL (before cancellations, before reinsurance)	39	39	—	39	39	—
Plus: Industrial Alliance (Laurentian Bank) (before cancellations)	4	4	—	4	4	—
Minus: Cancellations (iA SAL)	7	8	(13%)	7	8	(13%)
Minus: Reinsurance	6	7	(14%)	6	7	(14%)
Total – Net premiums (net of cancellations and reinsurance) (Dealer Services)	**30**	**28**	**7%**	**30**	**28**	**7%**
Gross premiums (sales)	74	47	57%	74	47	57%
Minus: Reinsurance	7	5	40%	7	5	40%
Total – Net premiums (Special Markets)	**67**	**42**	**60%**	**67**	**42**	**60%**
Total – Net Premiums (Dealer Services – P&C)	**53**	**47**	**13%**	**53**	**47**	**13%**
Total – Premiums (Employee Plans)	**303**	**282**	**7%**	**303**	**282**	**7%**
Total – Net premiums (Group Insurance)	**453**	**399**	**14%**	**453**	**399**	**14%**
ASO	26	24	8%	26	24	8%
Investment contracts	21	6	250%	21	6	250%
Total – Net premiums and premium equivalents (Group Insurance)	**500**	**429**	**17%**	**500**	**429**	**17%**

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
All documents related to iA Financial Corporation's and iA Insurance's financial results are available on the iA Financial Group website at ia.ca under *About iA,* in the *Investor Relations/Financial Reports* section. More information about the companies can also be found on the SEDAR website at sedar.com, as well as in the Annual Information Form for iA Financial Corporation and for iA Insurance, which can also be found on the iA Financial Group website or the SEDAR website.

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).

iA Financial Group is a business name and trademark of **iA Financial Corporation Inc.** and **Industrial Alliance Insurance and Financial Services Inc.**

CONSOLIDATED INCOME STATEMENTS

(unaudited, in millions of Canadian dollars, unless otherwise indicated)	Three months ended March 31 2022	2021
Revenues		
Premiums		
Gross premiums	**$ 3,865**	$3,619
Premiums ceded	**(251)**	(244)
Net premiums	**3,614**	3,375
Investment income		
Interest and other investment income	**434**	350
Change in fair value of investments	**(4,431)**	(3,900)
	(3,997)	(3,550)
Other revenues	**535**	506
	152	331
Policy benefits and expenses		
Gross benefits and claims on contracts	**1,988**	2,624
Ceded benefits and claims on contracts	**(204)**	(175)
Net transfer to segregated funds	**1,239**	411
Increase (decrease) in insurance contract liabilities	**(4,269)**	(3,820)
Increase (decrease) in investment contract liabilities	**(27)**	(14)
Decrease (increase) in reinsurance assets	**44**	54
	(1,229)	(920)
Commissions	**634**	529
General expenses	**498**	438
Premium and other taxes	**37**	33
Financing charges	**19**	18
	(41)	98
Income before income taxes	**193**	233
Income taxes	**36**	59
Net income	**$ 157**	$ 174
Net income attributed to participating policyholders	**—**	(5)
Net income attributed to shareholders	**$ 157**	$ 179
Dividends on preferred shares issued by a subsidiary	**6**	6
Net income attributed to common shareholders	**$ 151**	$ 173

Earnings per common share (in dollars)		
Basic	**$1.40**	$1.61
Diluted	**1.40**	1.61
Weighted average number of shares outstanding (in millions of units)		
Basic	**108**	107
Diluted	**108**	107
Dividends per common share (in dollars)	**0.63**	0.49

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in millions of Canadian dollars)	**As at March 31 2022** (unaudited)	As at December 31 2021
Assets		
Investments		
Cash and short-term investments	**$ 1,435**	$ 1,546
Bonds	**29,449**	32,893
Stocks	**4,053**	3,906
Mortgages and other loans	**2,917**	2,922
Derivative financial instruments	**633**	917
Policy loans	**1,134**	1,040
Other invested assets	**540**	557
Investment properties	**1,876**	1,870
	42,037	45,651
Other assets	**4,247**	3,850
Reinsurance assets	**2,156**	2,210
Fixed assets	**368**	369
Deferred income tax assets	**36**	27
Intangible assets	**1,731**	1,708
Goodwill	**1,260**	1,267
General fund assets	**51,835**	55,082
Segregated funds net assets	**38,873**	39,577
Total assets	**$ 90,708**	$ 94,659
Liabilities		
Insurance contract liabilities	**$ 32,258**	$ 36,540
Investment contract liabilities	**566**	577
Derivative financial instruments	**1,140**	526
Other liabilities	**8,826**	8,303
Deferred income tax liabilities	**406**	441
Debentures	**1,498**	1,450
General fund liabilities	**44,694**	47,837
Liabilities related to segregated funds net assets	**38,873**	39,577
Total liabilities	**$ 83,567**	$ 87,414
Equity		
Share capital and contributed surplus	**$ 1,732**	$ 1,723
Preferred shares issued by a subsidiary	**525**	525
Retained earnings and accumulated other comprehensive income	**4,836**	4,949
Participating policyholders' accounts	**48**	48
	7,141	7,245
Total liabilities and equity	**$ 90,708**	$ 94,659

SEGMENTED INFORMATION

The Company operates and manages its activities according to five main reportable operating segments, which reflect its company structure for decision making. Management makes judgments in the aggregation of business units into the Company's operating segments. Its products and services are offered to retail customers, businesses and groups. The Company primarily operates in Canada and the United States. The main products and services offered by each segment are the following:

Individual Insurance – Life, health, disability and mortgage insurance products.

Individual Wealth Management – Individual products and services for savings plans, retirement funds and segregated funds, in addition to securities brokerage, trust operations and mutual funds.

Group Insurance – Life, health, accidental death and dismemberment, dental care and short and long-term disability insurance products for employee plans; creditor insurance, replacement insurance, replacement warranties, extended warranties and other ancillary products for dealer services; and specialized products for special markets.

Group Savings and Retirement – Group products and services for savings plans, retirement funds and segregated funds.

US Operations – Miscellaneous insurance products sold in the United States such as life insurance products and extended warranties relating to dealer services.

Other – Auto and home insurance products, services supporting the activities that have no link with key segments such as asset management and financing, Company capital and some adjustments related to consolidation.

The Company makes judgments and uses assumptions and methodologies to allocate general expenses that are not directly attributable to a business segment. The allocation of other activities is mainly performed according to a formula based on equity and is uniformly applied to each operating segment.

The other assets and other liabilities, except mainly for derivative financial instruments, are classified in their entirety in the *Other* column since they are used for the operational support of the Company's activities.

Segmented Income Statements

	Three months ended March 31, 2022						
	Individual		Group				
(in millions of Canadian dollars)	Insurance	Wealth Management	Insurance	Savings and Retirement	US Operations	Other	Total
Revenues							
Net premiums	$ 476	$ 1,739	$ 453	$ 618	$ 229	$ 99	$ 3,614
Investment income	(3,430)	(105)	(42)	(316)	(147)	43	(3,997)
Other revenues	29	458	17	28	86	(83)	535
	(2,925)	2,092	428	330	168	59	152
Operating expenses							
Gross benefits and claims on contracts	277	715	338	457	183	18	1,988
Ceded benefits and claims on contracts	(103)	—	(14)	(6)	(117)	36	(204)
Net transfer to segregated funds	—	1,009	—	230	—	—	1,239
Increase (decrease) in insurance contract liabilities	(3,461)	(125)	(62)	(402)	(211)	(8)	(4,269)
Increase (decrease) in investment contract liabilities	—	—	(27)	—	—	—	(27)
Decrease (increase) in reinsurance assets	(31)	—	1	3	63	8	44
Commissions, general and other expenses	321	437	167	42	223	(21)	1,169
Financing charges	2	—	8	—	—	9	19
	(2,995)	2,036	411	324	141	42	(41)
Income before income taxes and allocation of other activities	70	56	17	6	27	17	193
Allocation of other activities	18	1	2	2	(6)	(17)	—
Income before income taxes	88	57	19	8	21	—	193
Income taxes	14	15	5	2	—	—	36
Net income	74	42	14	6	21	—	157
Net income attributed to participating policyholders	—	—	—	—	—	—	—
Net income attributed to shareholders	$ 74	$ 42	$ 14	$ 6	$ 21	$ —	$ 157

	Three months ended March 31, 2021						
	Individual		Group				
(in millions of Canadian dollars)	Insurance	Wealth Management	Insurance	Savings and Retirement	US Operations	Other	Total
Revenues							
Net premiums	$ 419	$ 1,606	$ 399	$ 660	$ 199	$ 92	$ 3,375
Investment income	(3,056)	(185)	(17)	(208)	(119)	35	(3,550)
Other revenues	29	414	17	30	67	(51)	506
	(2,608)	1,835	399	482	147	76	331
Operating expenses							
Gross benefits and claims on contracts	244	627	303	1,288	151	11	2,624
Ceded benefits and claims on contracts	(88)	—	(11)	(6)	(97)	27	(175)
Net transfer to segregated funds	—	975	—	(564)	—	—	411
Increase (decrease) in insurance contract liabilities	(3,065)	(229)	(43)	(284)	(200)	1	(3,820)
Increase (decrease) in investment contract liabilities	—	—	(14)	—	—	—	(14)
Decrease (increase) in reinsurance assets	(23)	—	1	3	74	(1)	54
Commissions, general and other expenses	234	400	140	35	188	3	1,000
Financing charges	1	—	8	—	1	8	18
	(2,697)	1,773	384	472	117	49	98
Income before income taxes and allocation of other activities	89	62	15	10	30	27	233
Allocation of other activities	21	7	2	1	(4)	(27)	—
Income before income taxes	110	69	17	11	26	—	233
Income taxes	30	17	3	3	6	—	59
Net income	80	52	14	8	20	—	174
Net income attributed to participating policyholders	(5)	—	—	—	—	—	(5)
Net income attributed to shareholders	$ 85	$ 52	$ 14	$ 8	$ 20	$ —	$ 179

Segmented Premiums

	Three months ended March 31, 2022						
	Individual		**Group**				
(in millions of Canadian dollars)	**Insurance**	**Wealth Management**	**Insurance**	**Savings and Retirement**	**US Operations**	**Other**	**Total**
Gross premiums							
Invested in general fund	**$ 581**	**$ 239**	**$ 482**	**$ 46**	**$ 435**	**$ 3**	**$ 1,786**
Invested in segregated funds	**—**	**1,500**	**—**	**579**	**—**	**—**	**2,079**
	581	**1,739**	**482**	**625**	**435**	**3**	**3,865**
Premiums ceded							
Invested in general fund	**(105)**	**—**	**(29)**	**(7)**	**(206)**	**96**	**(251)**
Net premiums	**$ 476**	**$ 1,739**	**$ 453**	**$ 618**	**$ 229**	**$ 99**	**$ 3,614**

	Three months ended March 31, 2021						
	Individual		Group				
(in millions of Canadian dollars)	Insurance	Wealth Management	Insurance	Savings and Retirement	US Operations	Other	Total
Gross premiums							
Invested in general fund	$ 518	$ 229	$ 425	$ 39	$ 369	$ 35	$ 1,615
Invested in segregated funds	—	1,377	—	627	—	—	2,004
	518	1,606	425	666	369	35	3,619
Premiums ceded							
Invested in general fund	(99)	—	(26)	(6)	(170)	57	(244)
Net premiums	$ 419	$ 1,606	$ 399	$ 660	$ 199	$ 92	$ 3,375

Segmented Assets and Liabilities

	As at March 31, 2022						
	Individual		**Group**				
(in millions of Canadian dollars)	**Insurance**	**Wealth Management**	**Insurance**	**Savings and Retirement**	**US Operations**	**Other**	**Total**
Assets							
Invested assets	**$ 22,736**	**$ 2,185**	**$ 2,000**	**$ 4,855**	**$ 1,312**	**$ 8,949**	**$ 42,037**
Segregated funds net assets	**—**	**24,527**	**—**	**14,346**	**—**	**—**	**38,873**
Reinsurance assets	**175**	**—**	**167**	**113**	**2,011**	**(310)**	**2,156**
Other	**104**	**1,344**	**—**	**—**	**105**	**6,089**	**7,642**
Total assets	**$ 23,015**	**$ 28,056**	**$ 2,167**	**$ 19,314**	**$ 3,428**	**$ 14,728**	**$ 90,708**
Liabilities							
Insurance contract liabilities and investment contract liabilities	**$ 22,273**	**$ 1,808**	**$ 2,208**	**$ 4,998**	**$ 1,651**	**$ (114)**	**$ 32,824**
Liabilities related to segregated funds net assets	**—**	**24,527**	**—**	**14,346**	**—**	**—**	**38,873**
Other	**980**	**122**	**3**	**19**	**—**	**10,746**	**11,870**
Total liabilities	**$ 23,253**	**$ 26,457**	**$ 2,211**	**$ 19,363**	**$ 1,651**	**$ 10,632**	**$ 83,567**

	As at December 31, 2021						
	Individual		Group				
(in millions of Canadian dollars)	Insurance	Wealth Management	Insurance	Savings and Retirement	US Operations	Other	Total
Assets							
Invested assets	$ 25,761	$ 1,859	$ 2,082	$ 5,214	$ 1,473	$ 9,262	$ 45,651
Segregated funds net assets	—	24,722	—	14,855	—	—	39,577
Reinsurance assets	144	—	171	116	2,049	(270)	2,210
Other	100	1,201	—	—	108	5,812	7,221
Total assets	$ 26,005	$ 27,782	$ 2,253	$ 20,185	$ 3,630	$ 14,804	$ 94,659
Liabilities							
Insurance contract liabilities and investment contract liabilities	$ 25,761	$ 1,924	$ 2,268	$ 5,392	$ 1,878	$ (106)	$ 37,117
Liabilities related to segregated funds net assets	—	24,722	—	14,855	—	—	39,577
Other	398	44	3	33	—	10,242	10,720
Total liabilities	$ 26,159	$ 26,690	$ 2,271	$ 20,280	$ 1,878	$ 10,136	$ 87,414