

iA Financial Group establishes a leading presence in the U.S. vehicle warranty market with the acquisition of IAS

December 4, 2019



Caution regarding forward-looking statements

Some of the statements contained in this Presentation, including those relating to iA Financial Corporation's strategies and other 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", "outlook", "expect", "anticipate", "intend", "plan", "believe", "estimate", "feel", "seek", and "continue" or their future or conditional form (or the negative thereof), as well as words such as "objective" or "goal" or other similar words or expressions, are forward-looking statements within the meaning of securities laws. Forward-looking statements include, but are not limited to, information concerning iA Financial Corporation's possible or assumed future operating results. These statements are not historical facts; they represent only iA Financial Corporation's expectations, estimates and projections regarding future events. Forward-looking statements include, without limitation, the information concerning possible or assumed future results of operations of iA Financial Corporation, including market guidance and sensitivity analysis. In addition, any statement that may be made concerning future financial performance (including revenues, earnings or growth rates), ongoing business strategies or prospects, and possible future action by iA Financial Corporation, including statements made by iA Financial Corporation with respect to the expected benefits of acquisitions or divestitures, are also forward-looking statements. Although iA Financial Corporation 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 and they should not be interpreted as confirming market or analysts' expectations in any way.

Certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements. Factors that could cause actual results to differ materially from expectations include, but are not limited to:

- market conditions that adversely affect iA Financial Corporation's capital position or its ability to raise capital;
- general business and economic conditions (including but not limited to performance and volatility of equity markets, interest rate fluctuations and movements in credit spreads, currency rates, investment losses and defaults, market liquidity and creditworthiness of guarantors, reinsurers and counterparties);
- level of competition and consolidation;
- changes in laws and regulations including tax laws;
- changes in accounting standards;
- changes in regulatory capital requirements;
- ability to execute strategic plans and changes to strategic plans;
- liquidity of iA Financial Corporation, including the availability of financing to meet existing financial commitments on their expected maturity dates when required;
- downgrades in iA Financial Corporation's financial strength or credit ratings;
- dependence on third party relationships, including outsourcing arrangements;
- ability to maintain iA Financial Corporation's reputation;
- impairments of goodwill or intangible assets or the establishment of valuation allowances against future tax assets;
- insurance risks, including product design and pricing, mortality, morbidity, longevity and policyholder behaviour and including the occurrence of natural or man-made disasters, pandemic diseases and acts of terrorism;
- accuracy of estimates used in applying accounting policies and actuarial methods used by iA Financial Corporation;
- accuracy of accounting policies and actuarial methods used by iA Financial Corporation;
- ability to market and distribute products through current and future distribution channels;
- ability to implement effective hedging strategies and unforeseen consequences arising from such strategies;
- ability to source appropriate non-fixed income assets to back iA Financial Corporation's long dated liabilities;
- failure of information systems and Internet-enabled technology;
- breaches of computer security and privacy;
- level of competition and consolidation;
- the realization of losses arising from the sale of investments classified as available for sale;
- obligations to pledge additional collateral;
- the availability of letters of credit to provide capital management flexibility;
- accuracy of information received from counterparties and ability of counterparties to meet their obligations;
- the availability, affordability and adequacy of reinsurance;
- legal and regulatory proceedings, including tax audits, tax litigation or similar proceedings and including private legal proceedings and class actions relating to practices in the mutual fund, insurance, annuity and financial product distribution industries;
- ability to adapt products and services to the changing market;
- ability to attract and retain key executives, employees and agents;
- the appropriate use and interpretation of complex models or deficiencies in models used;
- acquisitions and iA Financial Corporation's ability to complete acquisitions including the availability of equity and debt financing for this purpose;
- unforeseen liabilities or asset impairments arising from acquisitions and dispositions of businesses;
- the disruption of or changes to key elements of iA Financial Corporation's or public infrastructure systems;
- environmental concerns;
- iA Financial Corporation's ability to protect its intellectual property and exposure to claims of infringement; and
- ability of iA Financial Corporation to receive sufficient funds from its subsidiaries.

Caution regarding forward-looking statements (cont.)

Additional information about 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 iA Financial Corporation's most recent annual information form, in iA Financial Corporation's management's discussion and analysis for the most recent audited consolidated financial statements under "Risk Management", in the "Management of Risks Associated with Financial Instruments" and "Insurance Contract Liabilities and Investment Contract Liabilities" notes to iA Financial Corporation's most recent audited consolidated financial statements, and elsewhere in iA Financial Corporation's filings with Canadian securities regulators, which are available for review at www.sedar.com.

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



Denis Ricard

President

Chief Executive Officer



Jacques Potvin

Executive Vice-President

CFO and Chief Actuary

Strategic rationale for the acquisition of IAS



Accelerates iA's growth strategy, capitalizing on positive growth trends within the vehicle warranty market



Creates a U.S. platform of scale with significant synergies to participate in future industry consolidation



Diversifies iA's product and geographic mix, as well as distribution capabilities



Retains a strong, proven management team led by Patrick Brown to drive future U.S. expansion efforts in vehicle warranties



Advances iA's ongoing shift towards a capital-light business

- **One of the largest providers in the U.S. vehicle warranty market**
- **Based in Austin, TX**
- **Multiple-channel distribution: direct, indirect, and post-sale (direct to consumer)**
- **Innovative data-driven product development and risk management**
- **End-to-end product and service offerings**
- **Strong, high-performing management team**
- **Large geographic footprint**
- **Well-positioned as a consolidator with 10 acquisitions in last 6 years**

Market:

Hyper-fragmented with 100+ providers

Strong tailwinds for organic growth and consolidation

iA present since 2018 via DAC acquisition

iA now positioned as a leading player in a US\$39B market

DAC + IAS:

End-to-end product and service offering

+ Full vertical integration

= Expanded revenue streams

Dealer services: A growth story that began in Canada

Now being rolled out in the U.S.

- ✓ Building know-how since 1999
- ✓ Adding scale organically and through acquisitions
- ✓ 9 acquisitions (C\$300M) over the last 20 years



Entered the U.S. vehicle warranty market with DAC acquisition in 2018

Today, iA Financial Group establishes a leading presence in the U.S. vehicle warranty market with the acquisition of IAS



Creditor insurance business acquired with predecessor company in Western Canada

1999

Over the next 2 decades, focused on building coast-to-coast presence in Canada, adding underwriting for extended warranties, building distribution capacity and expanding product shelf

2000



2018

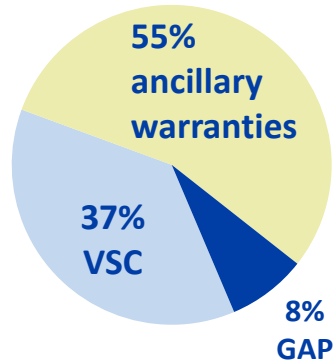
iA now provides creditor insurance, extended warranties, replacement insurance and car loans via new and used car dealers across Canada, as well as auto insurance in Quebec

2019

	DAC	IAS
2018 coverages sold	0.5M	1.6M
2018 gross written premiums	\$375M	\$540M
2018 adjusted EBITDA	\$13M	\$60M
Active dealership relationships	5,300+	4,300+
Agent relationships	145+	200+
Employees	152	600
States with coverage	50	50
Headquarters	Dallas, TX/Albuquerque, NM	Austin, TX

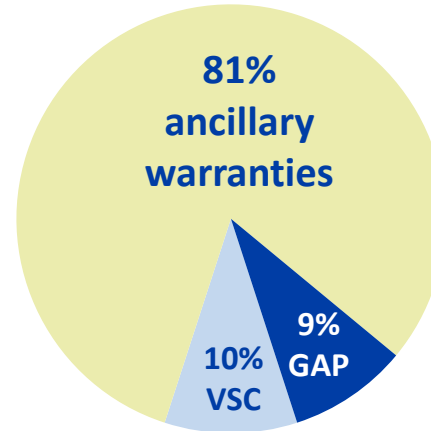
Products

DAC
0.5M contracts



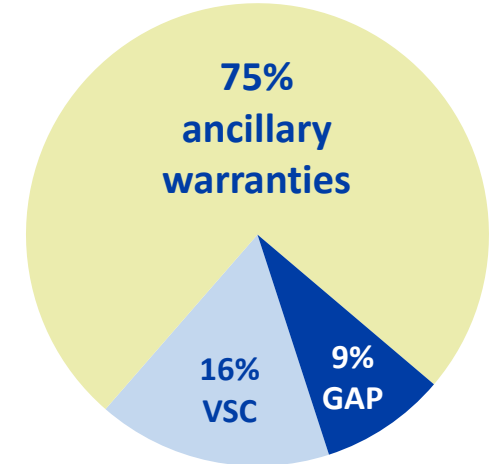
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IAS
1.6M contracts



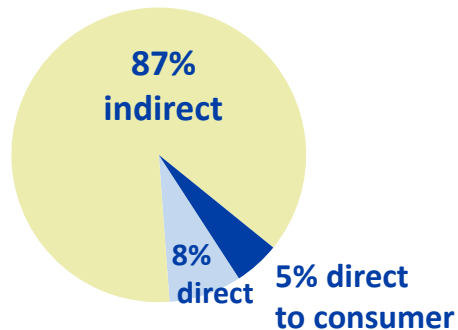
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Post-acquisition
2.1M contracts



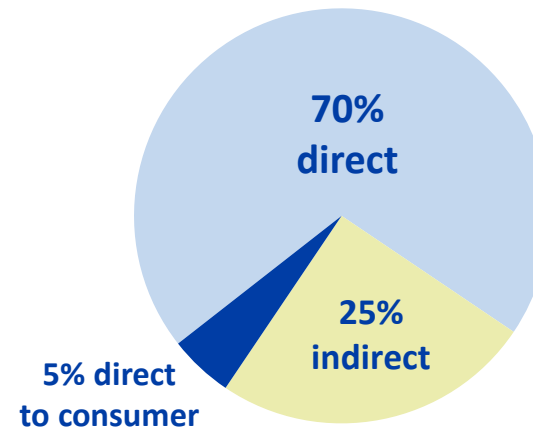
Distribution (gross written premiums)

DAC
\$187.5M



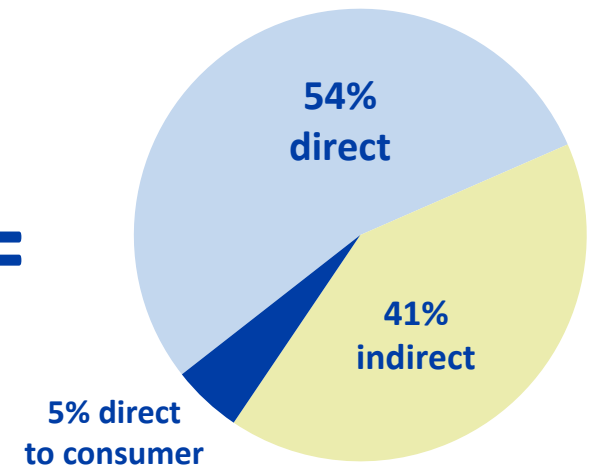
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IAS
\$540.0M

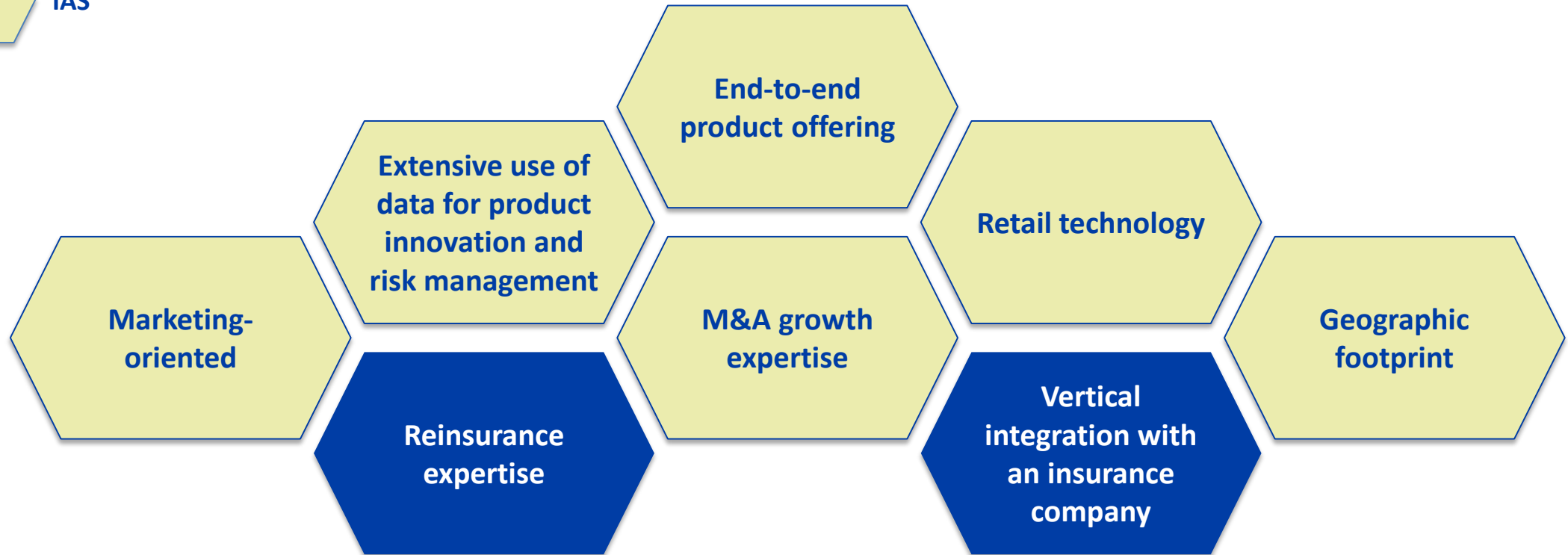
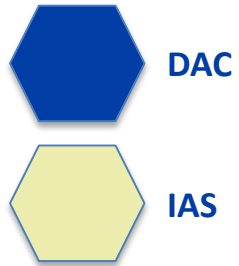


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Post-acquisition
\$727.5M



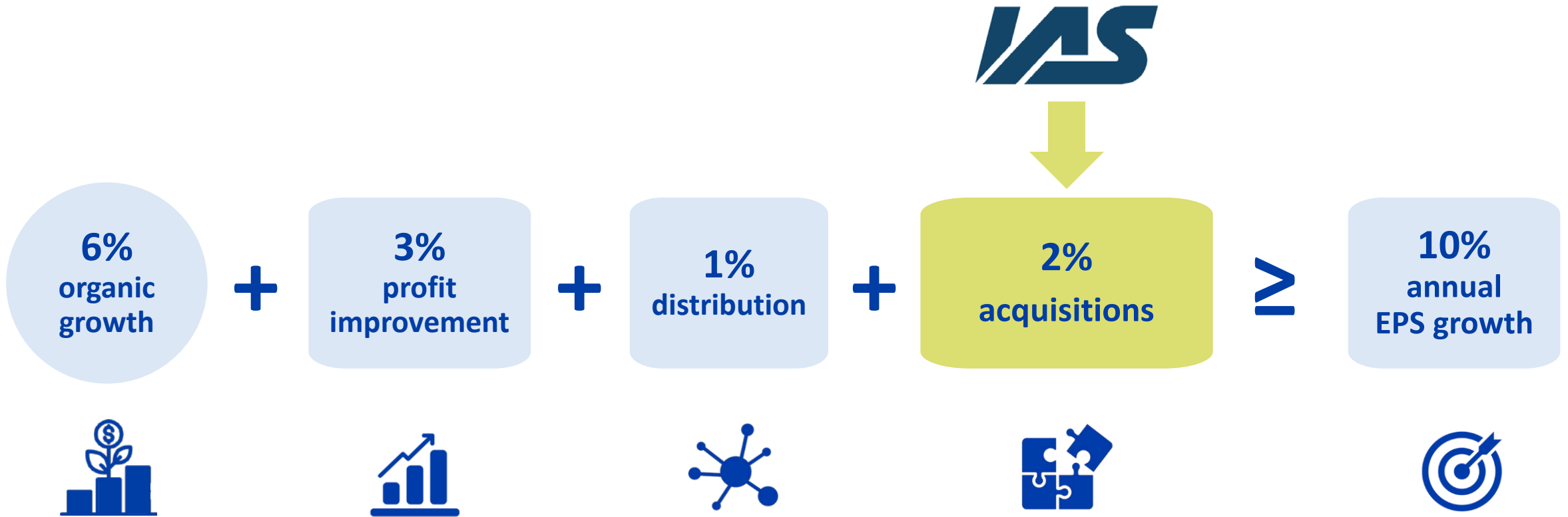
Notes – VSC: vehicle service contracts; GAP: guaranteed asset protection; ancillary warranties: tire and rim, theft protection, dent and ding, key fob replacement, etc.; direct distribution: direct to dealers; indirect distribution: via independent agents; based on 2018 data.



- ✓ Increased dealer focus on vehicle warranties, driving higher attachment rates
- ✓ Increasing auto repair costs as technology in cars advances
- ✓ Average age of vehicles increasing
- ✓ Expanding used car market with higher maintenance needs
- ✓ Greater consumer understanding of the value of vehicle warranties
- ✓ Demonstrated resiliency in economic downturns:
 - Profit from warranties an important portion of dealer's total profit
 - Emphasis on warranty sales increases following a recession
 - Mostly a fee business

~US\$39B
Vehicle warranty
market in the U.S.

Purchase price	US\$720M
Source of funding	Excess capital
Contribution to EPS	Expected to be neutral in year one and accretive thereafter
Solvency ratio	117% pro forma¹: above target range of 110-116% that reflects capital stability and organic capital generation
Leverage ratio	22.4%
Expected closing	Late Q1 or early Q2, subject to regulatory approvals





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Advances iA's ongoing shift towards a capital-light business

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Next Reporting Dates

Q4/2019 - February 13, 2020
Q1/2020 - May 7, 2020
Q2/2020 - July 30, 2020
Q3/2020 - November 4, 2020

For information on our earnings releases, conference calls and related disclosure documents, consult the Investor Relations section of our website at ia.ca.

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iA Financial Corporation reports its financial results and statements in accordance with International Financial Reporting Standards (IFRS). It also publishes certain financial measures that are not based on IFRS (non-IFRS). A financial measure is considered a non-IFRS measure for Canadian securities law purposes if it is presented other than in accordance with the generally accepted accounting principles used for the Company's audited financial statements. These non-IFRS financial measures are often accompanied by and reconciled with IFRS financial measures. For certain non-IFRS financial measures, there are no directly comparable amounts under IFRS. The Company believes that these non-IFRS financial measures provide additional information to better understand the Company's financial results and assess its growth and earnings potential, and that they facilitate comparison of the quarterly and full-year results of the Company's ongoing operations. Since non-IFRS financial measures do not have standardized definitions and meaning, they may differ from the non-IFRS financial measures used by other institutions and should not be viewed as an alternative to measures of financial performance determined in accordance with IFRS. The Company strongly encourages investors to review its financial statements and other publicly-filed reports in their entirety and not to rely on any single financial measure.

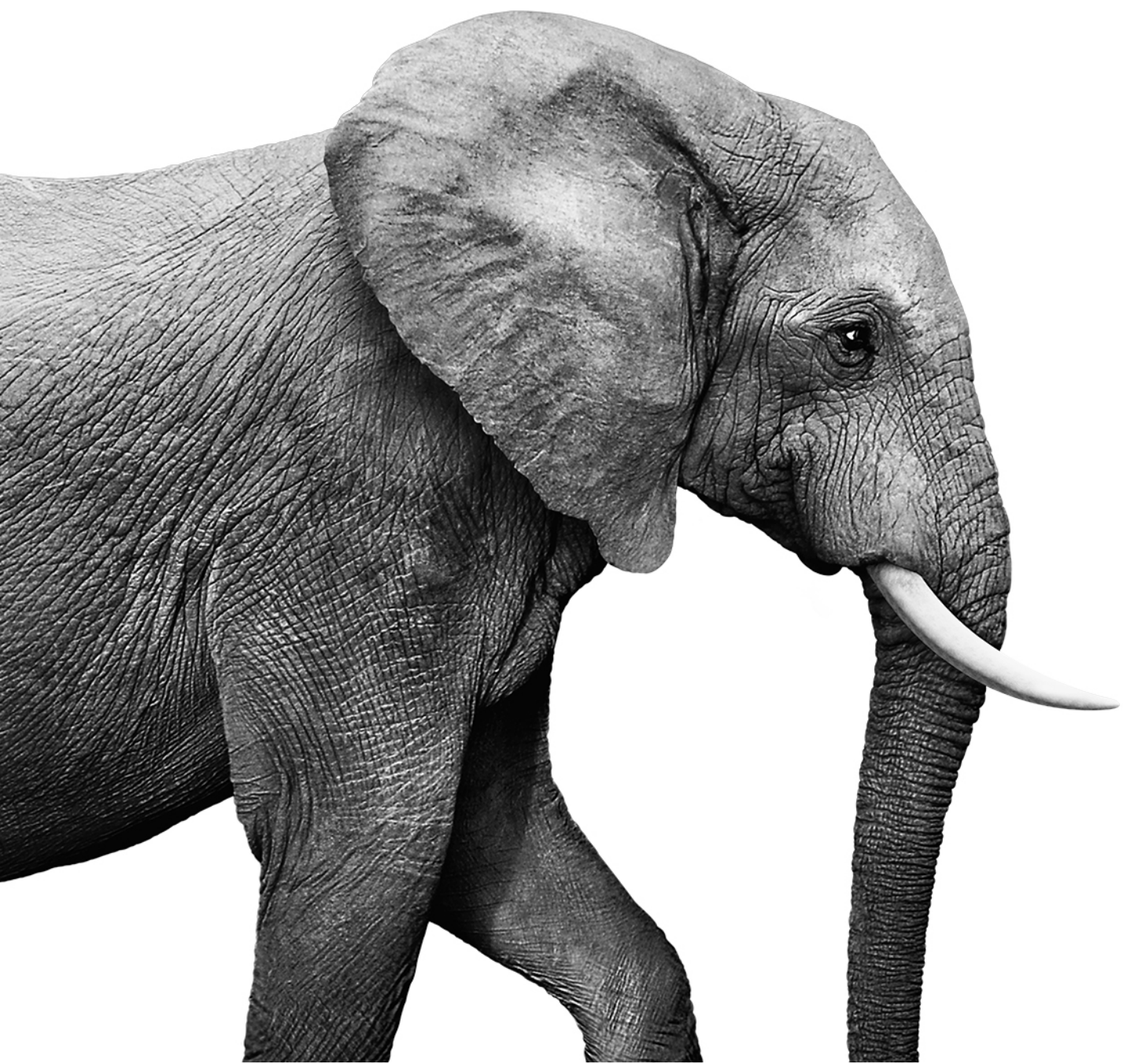
Non-IFRS financial measures published by the Company include, but are not limited to: return on common shareholders' equity (ROE), core earnings per common share (core EPS), core return on common shareholders' equity (core ROE), sales, net sales, assets under management (AUM), assets under administration (AUA), premium equivalents, deposits, sources of earnings measures (expected profit on in-force, experience gains and losses, strain on sales, changes in assumptions, management actions and income on capital), capital, solvency ratio, interest rate and equity market sensitivities, loan originations, finance receivables and average credit loss rate on car loans.

The analysis of profitability according to the sources of earnings presents sources of income in compliance with the guideline issued by the Office of the Superintendent of Financial Institutions and developed in co-operation with the Canadian Institute of Actuaries. This analysis is intended to be a supplement to the disclosure required by IFRS and to facilitate the understanding of the Company's financial position by both existing and prospective stakeholders to better form a view as to the quality, potential volatility and sustainability of earnings. It provides an analysis of the difference between actual income and the income that would have been reported had all assumptions at the start of the reporting period materialized during the reporting period. It sets out the following measures: expected profit on in-force business (representing the portion of the consolidated net income on business in force at the start of the reporting period that was expected to be realized based on the achievement of best-estimate assumptions); experience gains and losses (representing gains and losses that are due to differences between the actual experience during the reporting period and the best-estimate assumptions at the start of the reporting period); new business strain (representing the point-of-sale impact on net income of writing new business during the period); changes in assumptions, management actions and income on capital (representing the net income earned on the Company's surplus funds).

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

Core earnings per common share is a non-IFRS measure used to better understand the capacity of the Company to generate sustainable earnings.

Management's estimate of core earnings per common share excludes: 1) specific items, including but not limited to year-end assumption changes and unusual income tax gains and losses; 2) market gains and losses related to universal life policies, investment funds (MERS) and the dynamic hedging program for segregated fund guarantees; 3) gains and losses in excess of \$0.04 per share, on a quarterly basis, for strain on Individual Insurance sales, for policyholder experience by business segment (Individual Insurance, Individual Wealth Management, Group Insurance, Group Savings and Retirement, US Operations and iA Auto and Home Insurance), for usual income tax gains and losses and for investment income on capital.



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