Responsible Choices

STRENGTH
GROWTH
AMBITION

Industrial Alliance Insurance and Financial Services Inc.

2020 Management's Discussion and Analysis

for the year ended December 31, 2020

February 11, 2021

iA Financial Group

Notice

Legal Constitution and General Information

Industrial Alliance Insurance and Financial Services Inc. (“iA Insurance” or the “Company”) is a stock insurance company listed on the Toronto Stock Exchange. It is governed by the *Insurers Act* (Quebec), the *Act respecting Industrial-Alliance Life Insurance Company* (Quebec) (the “1999 Private Bill”), as amended by the *Act to amend the Act respecting Industrial-Alliance Life Insurance Company* (Quebec) (the “2018 Private Bill,” collectively with the 1999 Private Bill, the “Private Bill”) and by the *Business Corporations Act* (Quebec). iA Insurance and its subsidiaries are authorized by the appropriate regulatory authorities to operate in all provinces and territories of Canada, and most of the United States. iA Insurance is also an issuer subject to the various securities laws in effect in the provinces of Canada.

On January 1, 2019, iA Insurance became a subsidiary all of whose common shares are held by iA Financial Corporation Inc. (“iA Financial Corporation”), a holding company that comprises all the group’s activities. Under the terms of a plan of arrangement (the “arrangement”), all the common shares of iA Insurance outstanding at January 1, 2019 have been exchanged for newly issued common shares of iA Financial Corporation, the new holding company, on a one-for-one basis. Issued and outstanding series of preferred shares and debentures remain issued by iA Insurance and have been guaranteed by iA Financial Corporation in accordance with the terms of the arrangement. iA Financial Corporation is a “successor issuer” of iA Insurance as defined in securities regulations with respect to the common shares previously issued by iA Insurance. Following the arrangement, iA Insurance remains a “reporting issuer” as defined in securities regulations.

In February 2000, iA Insurance became a public company governed under the 1999 Private Bill. The 1999 Private Bill was enacted by the Quebec National Assembly on November 26, 1999, and its amendment, the 2018 Private Bill, was enacted on June 15, 2018. The Private Bill prohibits any person and his/her affiliates from acquiring, either directly or indirectly, voting shares of iA Financial Corporation if the acquisition results in the person and his/her affiliates holding 10% or more of the voting rights related to the shares. The Private Bill further provides that in the event that an acquisition is made in contravention of the foregoing, an individual on behalf of whom the shares are acquired cannot exercise the voting rights attached to the aggregate of his/her shares for as long as they are in contravention of this provision. In addition, under this Private Bill, iA Financial Corporation must directly or indirectly hold 100% of the common shares of iA Insurance.

Unless otherwise indicated, all information presented in this Management’s Discussion and Analysis is established as at December 31, 2020, or for the year ended on that date.

Unless otherwise indicated, all amounts that appear in this Management’s Discussion and Analysis are denominated in Canadian dollars. The financial information is presented in accordance with International Financial Reporting Standards (IFRS), as they apply to life insurance companies in Canada, and with the accounting requirements prescribed by the regulatory authorities.

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

This Management’s Discussion and Analysis is dated February 11, 2021.

Non-IFRS Financial Measures

iA Insurance 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), sales, assets under management (AUM), assets under administration (AUA), capital and solvency ratio.

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 “Profitability” section of this report.

Forward-Looking Statements

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

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

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

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

The forward-looking statements in this Management's Discussion and Analysis reflect the Company's expectations as of the date of this document. iA Insurance 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 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 Company can be found on the SEDAR website at sedar.com, as well as in the Company's Annual Information Form, which can be found on the iA Financial Group website or the SEDAR website.

2020 Management's Discussion and Analysis

Highlights

In a year marked by the pandemic and its many impacts on society and the financial markets, the Company's priority has been protecting the health and wellbeing of its employees, distributors and clients, and supporting the community. In this context, the Company's 2020 results demonstrate the resiliency and soundness of its business model.

The Company finished 2020 with net income attributed to common shareholders of $638.1 million. In addition, the Company's capital position remained solid, the investment portfolio continued to be of the highest quality and sales growth was very strong in all business units. This excellent performance was due in part to the diversity of the Company's distribution networks, its wide range of products and the effectiveness of the digital tools available to representatives, clients and employees.

Moreover, in addition to the annual actuarial assumption review, additional risk management initiatives were put in place that included the signing of new reinsurance agreements and additional protections in the reserves to counter the potential impacts of the pandemic. Overall, these actions had no material impact on 2020 results.

Profitability

Net income attributed to common shareholders amounted to $638.1 million in 2020 compared to $690.7 million the year before. Refer to the "Profitability" section of this Management's Discussion and Analysis for more information on the Company' profitability in 2020.

Profitability

(In millions of dollars, unless otherwise indicated)	2020	2019	Variation
Net income attributed to common shareholders	638.1	690.7	(8%)

Business Growth

Premiums and deposits of nearly $13.9 billion were up 22% compared to 2019. Assets under management and administration grew 3% to $194.5 billion at December 31, 2020. Despite the pandemic, sales growth was excellent in all business lines, particularly in Individual Insurance, Individual Wealth Management, Group Insurance Employee Plans, Group Savings and Retirement, US Operations and at iA Auto and Home. Refer to the "Business Growth" section of this Management's Discussion and Analysis for more information on the Company's business growth in 2020.

Financial Strength

The Company's solvency ratio was 122% at December 31, 2020, which is above the 110% to 116% solvency ratio target range, compared to 126% a year earlier. In addition, the Company's capital amounted to nearly $5.9 billion at the end of 2020. For detailed comments on financial strength, including dividends and debt instruments, refer to the "Financial Position" section of this Management's Discussion and Analysis.

Quality of Investments

The Company's investment portfolio continued to be of excellent quality in 2020. At December 31, 2020, as shown in the following table, the proportion of net impaired investments remained relatively low at 0.07% of total investments, despite a slight increase owing to provisions taken on assets due to the impact of the pandemic. In addition, bonds rated BB and lower accounted for just 1% of the bond portfolio. For detailed comments on investments, refer to the "Investments" section of this Management's Discussion and Analysis.

Investment Quality Indices

	As at December 31	
	2020	2019
Net impaired investments ($M)	31.1	10.9
Net impaired investments as a % of total investments	0.07%	0.03%
Bonds – Proportion rated BB and lower	1.00%	0.87%

Acquisitions, Dispositions and Structure of Businesses

No material acquisitions took place during the year.

On June 1, 2020, the Company completed the sale of its iA Investment Counsel Inc. subsidiary to CWB Financial Group. The sale reflects the Company's decision to focus on serving the wealth management needs of high-net-worth Canadians exclusively through its expanding network of investment advisory practices.

For more information on the disposition completed in 2020, refer to Note 4 of the Company's consolidated financial statements entitled *Disposal of Business*.

On January 1, 2020, iA Insurance and its subsidiary, The Excellence Life Insurance Company, merged in order to improve operational efficiency, with full transparency for existing clients.

Litigation

iA Insurance is involved in litigation with a third party, Ituna Investment LP, which was seeking to use insurance contracts for purposes not originally intended. The application was heard by the Court of Queen's Bench for Saskatchewan, which issued a decision in favour of iA Insurance on March 15, 2019. Ituna appealed this decision, and the appeal was heard by the Saskatchewan Court of Appeal in mid-January 2020. iA Insurance has always maintained that the position taken by Ituna was legally unfounded and has responded to the appeal with the same conviction.

Changes to Accounting Policies in 2020 and Future Changes in Accounting

The International Accounting Standards Board (IASB) issued a number of amendments and new standards that took effect on January 1, 2020. None of these amendments or standards had an impact on the Company's financial statements. For more information on these amendments and new standards, refer to Note 3 of the consolidated financial statements, entitled "Changes in Accounting Policies." Also, on June 25, 2020, the IASB published an amendment to IFRS 4 *Insurance Contracts* to extend the deferral approach until January 1, 2023. This approach provides an optional temporary exemption from applying IFRS 9 *Financial Instruments* until January 1, 2023 for entities whose predominant activity is issuing contracts within the scope of IFRS 4 *Insurance Contracts*. Lastly, the Company is continuing its work related to the application of IFRS 17 *Insurance Contracts,* which is scheduled to take effect on January 1, 2023. The Company is currently evaluating the impact of this standard on its financial statements.

Outlook for 2021

With everything that has been achieved and put in place in 2020, and with its proven business model, iA Financial Group is well positioned to grow its earnings and create value for its shareholders in 2021.

The balance sheet remains solid and the Company has the protection and resources it needs to adjust to financial market fluctuations. Among other things, the Company took advantage of the 2020 year-end actuarial assumption review and its additional risk management initiatives that included signing new reinsurance agreements to put extra protections in place in the reserves. These protections are intended to reduce potential experience losses in 2021 onwards arising from the pandemic.

Profit growth in 2021 is expected to come from:

- Organic growth, which refers to normal growth in expected profit on in-force
- Profitability improvement initiatives in all lines of business
- Acquisitions and technology improvements made in recent years
- Initiatives to fully leverage the Company's strong and diversified distribution networks

Business growth

Lines of business

Canada

1 INDIVIDUAL INSURANCE

2 INDIVIDUAL WEALTH MANAGEMENT

3 GROUP SAVINGS AND RETIREMENT

4 GROUP INSURANCE

Divisions
- Employee Plans
- Dealer Services
- Special Markets

United States

5 U.S. OPERATIONS

Divisions
- Individual Insurance
- Dealer Services

Subsidiary – Quebec

iA AUTO AND HOME

Business Growth

Assets Under Management and Administration

Assets under management and administration grew 3% to reach $194.5 billion at December 31, 2020.

Premiums and Deposits

Total premiums and deposits were up 22% year over year in 2020, totalling nearly $13.9 billion. The most significant growth came from Group Savings and Retirement, US Operations and Individual Wealth Management.

Sales

Business growth was very strong in 2020 despite the pandemic.

Individual Insurance sales totalled $223.2 million in 2020, up 19% from a year earlier. Excess premiums jumped 87%, while minimum premiums grew 15%.

In Individual Wealth Management, general fund sales were strong, as were segregated fund and mutual fund sales. Total sales grew 29% year over year to exceed $6.4 billion.

In Group Insurance, 2020 sales totalled $136.2 million in the Employee Plans division, more than doubling total sales of $49.1 million a year earlier. In the Dealer Services division, sales totalled $895.7 million in 2020, compared to just over $1 billion in 2019. In the Special Markets division, sales amounted to $205.4 million in 2020 versus $273.9 million in 2019, down mainly due to a significant decrease in travel insurance sales related to the pandemic.

Group Savings and Retirement posted strong sales growth of 49% year over year to reach nearly $3.1 billion.

In US Operations, the momentum continued in both divisions. Sales in the Individual Insurance division totalled US$127.2 million, up 28% from 2019, while sales in the Dealer Services division grew 22% to reach US$547.4 million in 2020.

At iA Auto and Home, sales totalled $395.0 million in 2020 versus $351.0 million the year before, for an increase of 13%.

Assets Under Management and Administration

	As at December 31		
(In millions of dollars unless otherwise indicated)	**2020**	**2019**	**Variation**
Assets under management	98,658.8	99,465.3	(1%)
Assets under administration	95,830.1	89,245.8	7%
Total	**194,488.9**	**188,711.1**	**3%**

Premiums and Deposits[1]

(In millions of dollars, unless otherwise indicated)	**2020**	**2019**	**Variation**
Individual Insurance	1,624.8	1,586.5	2%
Individual Wealth Management	6,417.7	4,975.0	29%
Group Insurance	1,715.0	1,788.2	(4%)
Group Savings and Retirement	3,056.2	2,046.5	49%
US Operations	750.9	651.1	15%
General Insurance	345.1	314.2	10%
Total	**13,909.7**	**11,361.5**	**22%**

Sales by Line of Business

(In millions of dollars, unless otherwise indicated)	**2020**	**2019**	**Variation**
Individual Insurance			
Minimum premiums	202.4	176.4	15%
Excess premiums	20.8	11.1	87%
Total	223.2	187.5	19%
Individual Wealth Management			
General fund	836.1	545.8	53%
Segregated funds	3,079.6	2,365.5	30%
Mutual funds	2,502.0	2,063.7	21%
Total	6,417.7	4,975.0	29%
Group Insurance			
Employee Plans	136.2	49.1	177%
Dealer Services[2]	895.7	1,020.3	(12%)
Special Markets	205.4	273.9	(25%)
Total	1,237.3	1,343.3	(8%)
Group Savings and Retirement	3,082.9	2,073.6	49%
US Operations			
Individual Insurance ($US)	127.2	99.2	28%
Dealer Services ($US)	547.4	449.2	22%
iA Auto and Home	395.0	351.0	13%

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

2 Includes creditor insurance, P&C products and car loan originations.

Profitability

Highlights

The Company ended the year with net income attributed to common shareholders of $638.1 million in 2020, compared to $690.7 million a year earlier.

As mentioned at the beginning of this document, Industrial Alliance Insurance and Financial Services Inc. became a subsidiary of iA Financial Corporation Inc. on January 1, 2019 pursuant to a plan of arrangement. Under this plan of arrangement, iA Financial Corporation is the successor issuer of iA Insurance. See the "Notice" at the beginning of this Management's Discussion and Analysis for more information about the legal constitution of the Company.

Assumption Changes, Risk Management Initiatives and Management Actions

At the end of each quarter, the Company ensures the adequacy of its provisions given the existing economic environment. It also updates all its valuation assumptions at the end of each year to take into account the most recent developments in the economic and financial environment as well as its own experience and that of the industry in terms of mortality, morbidity, lapse rates, unit costs and other factors.

In 2020, the usual adjustment of actuarial assumptions used to calculate the net insurance contract liabilities was influenced by the positive impact of the economic assumption adjustments, which led to improved portfolio performance and matching as well as policy liability modelling refinements. In addition, the Company increased reserves due to the revision of mortality and lapse assumptions. For more details, refer to Note 14 to the financial statements, entitled "Insurance Contract Liabilities and Investment Contract Liabilities."

In addition to the usual adjustment of these actuarial assumptions, extra protections were added to the actuarial reserves at the end of 2020 due to the temporary uncertainty created by the current pandemic. The goal of these protections is to reduce potential experience losses in 2021 and subsequent years for mortality and policyholder behaviour resulting from the direct and indirect impacts of the pandemic.

Lastly, the 2020 risk management initiatives were rounded out with the Company taking advantage of a highly competitive reinsurance environment to sign new reinsurance treaties.

Altogether, these items had a positive net impact on operating profit of $5.6 million before tax.

Regarding other management actions, a charge was recorded in the first quarter due to the PPI Management goodwill impairment generated by the anticipated economic impact of the pandemic on the subsidiary's future revenues.

Analysis According to the Financial Statements

Annual Results

Following are the Company's financial results for the years ended December 31, 2020, 2019 and 2018.

Consolidated Income Statement

(In millions of dollars, unless otherwise indicated)	**2020**	**2019**	**2018**
Revenues			
Net premiums	11,053.3	8,944.0	7,849.3
Investment income	4,662.1	4,638.8	310.8
Other revenues	1,719.0	1,679.5	1,752.3
Total	**17,434.4**	**15,262.3**	**9,912.4**
Policy benefits and expenses			
Net policy benefits	5,249.9	5,392.2	4,870.0
Net transfers to segregated funds	2,872.3	916.5	821.1
Increase (decrease) in insurance contract liabilities	5,760.1	4,773.1	216.0
Increase (decrease) in investment contract liabilities	34.0	27.1	9.2
Decrease (increase) in reinsurance assets	(737.5)	(44.2)	76.2
Commissions	1,756.8	1,653.8	1,582.2
General expenses	1,521.1	1,468.1	1,328.8
Premium and other taxes	128.5	128.2	126.9
Financing charges	52.0	56.4	63.0
Total	**16,637.2**	**14,371.2**	**9,093.4**
Income before income taxes	797.2	891.1	819.0
Less: income taxes	138.0	188.4	181.0
Net income	659.2	702.7	638.0
Less: net income attributed to participating policyholders	(1.2)	(10.1)	4.3
Net income attributed to shareholders	660.4	712.8	633.7
Less: preferred share dividends	22.3	22.1	21.0
Net income attributed to common shareholders	**638.1**	**690.7**	**612.7**
Earnings per common share (EPS) – Basic	**$5.88**	**$6.36**	**$5.61**

Net Income Attributed to Common Shareholders

The decrease of nearly 8% in net income attributed to common shareholders between 2020 and 2019 is mainly due to losses generated by the hedging program for segregated fund guarantees, which was negatively impacted by extreme market volatility. The change in net income attributed to common shareholders is also explained by the items mentioned below.

Revenues

Revenues, whose three components are presented in the above table, totalled more than $17.4 billion in 2020, an increase of 14% compared to 2019. This increase is mainly due to an increase in net premiums, which grew by $2.1 billion, or nearly 24%, compared to the previous year. Growth was observed in almost all sectors, mainly stemming from individual and group savings products such as segregated funds, guaranteed investment certificates, insured annuity contracts and accumulation contracts.

The following table provides more details regarding the composition of revenues by sector.

Revenues by Sector

	Year ended December 31, 2020						
(In millions of dollars)	Ind. Ins.	Ind. Wealth Mgmt	Grp Ins.	Grp Sav. and Rtmt	US Oper.	Other	Total
Net premiums	1,624.8	3,915.7	1,574.5	3,018.2	575.0	345.1	11,053.3
Var. vs. 2019	*38.3*	*1,004.4*	*(64.0)*	*1,017.7*	*82.0*	*30.9*	*2,109.3*
Invest. income	3,592.5	148.5	194.5	387.1	189.2	150.3	4,662.1
Var. vs. 2019	*(175.0)*	*91.4*	*22.4*	*55.5*	*27.7*	*1.3*	*23.3*
Other revenues	117.5	1,501.4	54.5	105.1	136.9	(196.4)	1,719.0
Var. vs. 2019	*(3.0)*	*38.6*	—	*7.6*	*33.5*	*(37.2)*	*39.5*
Total	5,334.8	5,565.6	1,823.5	3,510.4	901.1	299.0	17,434.4
Var. vs. 2019	*(139.7)*	*1,134.4*	*(41.6)*	*1,080.8*	*143.2*	*(5.0)*	*2,172.1*

Policy Benefits and Expenses

Policy benefits and expenses were up nearly $2.3 billion from the previous year. The main items contributing to this increase are as follows:

- An increase in net transfers to segregated funds compared to 2019, as growth in premiums outweighed growth in benefits ($2.0 billion).
- An increase in insurance contract liabilities compared to 2019 ($987.0 million), explained in part by the addition of extra protections due to the uncertainty created by the current pandemic. 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 increase in policy benefits and expenses was reduced by the following:

- A larger credit related to reinsurance assets in 2020 compared to 2019 ($693.3 million), partly due to the profit generated by signing new reinsurance agreements. This item is generally influenced by the same factors that influence the variation in insurance contract liabilities, but to a lesser extent.
- A decrease in net policy benefits, mostly in Individual Wealth Management ($142.3 million). Net policy benefits include benefits paid due to death, disability, illness, claims or contract terminations, as well as annuity payments.

Income Taxes

The consolidated financial statements indicate an income tax expense of $138.0 million in 2020, compared to $188.4 million in 2019. These amounts represent the Company's tax expense net of all adjustments for prior years. The variation in 2020 resulted from a decrease in income before income taxes and an increase in tax-exempt investment income.

Quarterly Results

Below is a summary of the Company's quarterly results, taken from the financial statements for the last eight quarters. The analysis in this section focuses primarily on the Company's results for the fourth quarter of 2020. Generally speaking, the terminology used in this section is the same terminology used in the financial statements.

Net premiums

Net premiums amounted to $3.0 billion in the fourth quarter, a year-over-year increase of over 25%. This variation is mainly explained by significant net premium growth in the Individual Wealth Management and Group Savings and Retirement sectors.

Stock market variations, the level of premiums invested in segregated funds and the signing of new agreements with large groups in the group business lines, among other things, contribute to the fluctuation of premiums from one quarter to another.

Net premiums include the amounts invested by insureds in the Company's segregated funds, but exclude those invested by clients in mutual funds.

Investment Income

In the fourth quarter of 2020, investment income was up $1,275.1 million from the same quarter in 2019. This was primarily due to an increase in the fair value of bond investments and derivative financial instruments resulting from the variation in interest rates.

Investment income fluctuates in large part based on the fair value of investments, which is influenced by 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 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 for the fourth quarter were up $12.8 million, or 3%, year over year, stemming from the increase in segregated funds net assets in the Individual Wealth Management sector.

Quarterly Results

(In millions of dollars, unless otherwise indicated)	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2	2019 Q1
Revenues								
Net premiums	3,031.8	3,171.0	2,104.4	2,746.1	2,417.0	2,189.5	1,982.7	2,354.8
Investment income	971.1	394.0	4,154.5	(857.5)	(304.0)	1,109.5	1,671.3	2,162.0
Other revenues	441.2	422.2	417.8	437.8	428.4	416.2	424.5	410.4
Total	**4,444.1**	**3,987.2**	**6,676.7**	**2,326.4**	**2,541.4**	**3,715.2**	**4,078.5**	**4,927.2**
Income before income taxes	216.4	274.0	260.8	46.0	201.5	240.7	240.7	208.2
Income taxes	33.9	50.0	55.6	(1.5)	32.1	51.9	53.9	50.5
Net income	182.5	224.0	205.2	47.5	169.4	188.8	186.8	157.7
Less: net income attributed to participating policyholders	(5.2)	(4.0)	6.7	1.3	(10.7)	—	(0.1)	0.7
Net income attributed to shareholders	187.7	228.0	198.5	46.2	180.1	188.8	186.9	157.0
Less: preferred share dividends	5.3	6.0	5.4	5.6	5.3	5.4	5.7	5.7
Net income attributed to common shareholders	**182.4**	**222.0**	**193.1**	**40.6**	**174.8**	**183.4**	**181.2**	**151.3**
Earnings per common share (basic)	$1.68	$2.04	$1.78	$0.37	$1.61	$1.69	$1.67	$1.39
Net transfers to segregated funds	1,038.2	622.2	523.5	688.4	234.6	261.9	195.5	224.5
Increase (decrease) in insurance contract liabilities	1,494.4	949.5	4,018.5	(702.3)	(283.0)	1,156.0	1,550.0	2,350.1
Increase (decrease) in investment contract liabilities	8.6	3.4	20.6	1.4	(1.0)	6.7	7.5	13.9
Total general fund assets	50,652.9	50,157.5	49,160.0	46,533.8	44,503.1	44,950.1	43,364.9	42,475.0
Segregated funds net assets	32,815.5	30,130.5	28,504.8	25,460.1	27,867.9	26,976.4	26,388.7	25,759.5

Financial Position

Capitalization and Solvency

Capitalization

iA Insurance's capital structure can be divided into three categories: equity, debentures, and participating policyholders' accounts. At December 31, 2020, the Company's capital amounted to nearly $5.9 billion, a year-over-year decrease of 8%, with equity and participating policyholders' accounts representing 89% of total capital.

The decrease in capital in 2020 is mainly due to the decrease in retained earnings resulting from profits realized during the year, net of dividends paid to iA Financial Corporation, iA Insurance's sole common shareholder.

Capital Structure

	As at December 31				
(In millions of dollars)	**2020**	**2019**	**2018**	**2017**	**2016**
Equity					
Common shares	1,655.4	1,655.5	1,655.5	1,520.9	1,498.8
Preferred shares	525.0	525.0	525.0	375.0	375.0
Retained earnings[3,4]	2,864.4	3,460.1	3,440.0	3,072.8	2,793.2
Contributed surplus	—	---	22.8	19.5	18.5
AOCI[5]	149.5	76.4	22.5	48.9	40.1
Subtotal	5,194.3	5,717.0	5,665.8	5,037.1	4,725.6
Debentures	652.5	652.0	901.4	996.3	995.3
Participating policyholders' account[5]	40.7	41.9	52.3	41.0	39.0
Total	**$5,887,500**	**6,410.9**	**6,619.5**	**6,074.4**	**5,759.9**

Solvency

The Company's solvency ratio under the Capital Adequacy Requirements for Life and Health Insurance (CARLI) Guideline issued by the Autorité des marchés financiers was 122% at December 31, 2020, compared to 126% at December 31, 2019.

The 4 percentage point decrease during the year is mainly explained by dividends paid to iA Financial Corporation, offset in part by good organic capital generation, and by the impact of risk management initiatives, including the year-end actuarial assumption review. At December 31, 2020, the solvency ratio remained above the 110% to 116% guidance range. The Company will be well positioned at the start of 2021 and will continue to maintain its solvency ratio within or above the 110% to 116% target range.

	As at December 31	
	2020	**2019**
Available capital and surplus allowance	8,829.1	8,766.6
Base solvency buffer	7,246.3	6,971.9
Solvency ratio[6]	**122%**	**126%**

Equity and Financing

Redemption and Issue of Financial Instruments

The Company did not issue or redeem any subordinated debentures in 2020.

Debentures

The Company had two series of debentures on its balance sheet at December 31, 2020, with a total book value of $652.5 million. These two series, which are detailed in the table later in this section, were classified as financial liabilities at amortized cost. The debentures represent direct unsecured obligations of the Company that are subordinate to those of the Company's policyholders and other creditors. In 2020, the financing expense, made up of interest and the amortization of issuance costs, amounted to $20.4 million versus $23.1 million in 2019.

Common Shares

The Company has only one class of common shares, which are 100% owned by iA Financial Corporation. The Company's common shares must be 100% owned by iA Financial Corporation, directly or indirectly, at all times.

Preferred Shares

In 2020, the Company paid $22.4 million in dividends to preferred shareholders with Class A Shares, Series B, G and I. The Company's capital currently includes these three series of Class A Preferred Shares, as shown in the full-page table later in this section.

Declaration of Fourth Quarter Dividends

Following are the amounts and dates of payment and closing of registers for common shares and the various categories of preferred shares.

iA Insurance declared a dividend of $510.0 million in the fourth quarter of 2020. The dividends payable following this declaration were paid in full during the fourth quarter. For the first quarter of 2021, the Board of Directors of iA Insurance approved the declaration of a dividend of $250.0 million to its sole common shareholder, iA Financial Corporation.

The Board of Directors of Industrial Alliance Insurance and Financial Services Inc. has declared the payment of a quarterly dividend of $0.2875 per non-cumulative Class A Preferred Share – Series B. The dividend is payable in cash on March 31, 2021, to the preferred shareholders of record as at February 26, 2021.

[3] In the fourth quarter of 2018, the Company made an adjustment to the estimates used to establish income taxes payable in prior periods by decreasing the retained earnings as at January 1, 2017 by $58 million.
[4] In the fourth quarter of 2019, an adjustment retroactive to January 1, 2018 was made transferring $7 million from retained earnings to participating policyholders' accounts.
[5] AOCI: Accumulated other comprehensive income.
[6] This measure, which has no IFRS equivalent, is established in accordance with regulatory requirements.

The Board of Directors of Industrial Alliance Insurance and Financial Services Inc. has declared the payment of a quarterly dividend of $0.2360625 per non-cumulative Class A Preferred Share – Series G. The dividend is payable in cash on March 31, 2021, to the preferred shareholders of record as at February 26, 2021.

The Board of Directors of Industrial Alliance Insurance and Financial Services Inc. has declared the payment of a quarterly dividend of $0.3000 per non-cumulative Class A Preferred Share – Series I. The dividend is payable in cash on March 31, 2021, to the preferred shareholders of record as at February 26, 2021.

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

Preferred Shares and Debentures – Industrial Alliance Insurance and Financial Services Inc.

Class A Preferred Shares – Series B	
Number:	5,000,000
Nominal value:	$125.0 million
Book value:	Shares recognized at their acquisition value
Dividend:	Fixed non-cumulative quarterly dividend of $0.2875 per preferred share
Voting rights:	No voting rights
Conversion:	Not convertible into common shares
Redemption:	Redeemable in whole or in part at the option of the company, subject to approval by the Autorité des marchés financiers (AMF), on or after March 31, 2011.

Class A Preferred Shares – Series G	
Number:	10,000,000
Nominal value:	$250.0 million
Book value:	Shares recognized at their acquisition value
Dividend:	Non-cumulative 5-year rate reset quarterly dividend at an initial annual rate of $1.0750 in cash per preferred share until June 30, 2017. The annual rate was modified on June 30, 2017 to $0.94425 in cash per preferred share.
Voting rights:	No voting rights
Conversion:	Convertible at the option of the holder to Class A Preferred Shares - Series H on June 30, 2017 and on June 30 every 5 years thereafter.
Redemption:	Redeemable in whole or in part at the option of the company, subject to approval by the AMF, on June 30, 2017 and on June 30 every 5 years thereafter.

Class A Preferred Shares – Series I	
Number:	6,000,000
Nominal value:	$150.0 million
Book value:	Shares recognized at their acquisition value
Dividend:	Non-cumulative 5-year rate reset quarterly dividend at an initial annual rate of $1.20 in cash per preferred share until March 31, 2023. On March 31, 2023 and on March 31 every 5 years thereafter, the dividend rate will be adjusted to equal the sum of the then current 5-year Government of Canada bond yield plus 2.75%.
Voting rights:	No voting rights
Conversion:	Convertible at the option of the holder to Class A Preferred Shares – Series J on March 31, 2023 and on March 31 every 5 years thereafter.
Redemption:	Redeemable in whole or in part at the option of the company, subject to approval by the AMF, on March 31, 2023 and on March 31 every 5 years thereafter.

Subordinated debentures issued on February 23, 2015 and maturing on February 23, 2027	
Nominal value:	$250.0 million
Book value:	$249.7 million
Interest:	2.64% until February 23, 2022. After that date, the interest rate will be a variable annual rate of return equal to the three-month CDOR (Canadian Dollar Offered Rate), plus 1.08%, payable quarterly.
Redemption and repayment:	Redeemable by the company on or after February 23, 2022, in whole or in part, subject to prior approval by the regulatory bodies. The book value of these debentures includes the transaction costs and the premium at issue for a total of $0.3 million.

Subordinated debentures issued on September 16, 2016 and maturing on September 15, 2028	
Nominal value:	$400.0 million
Book value:	$399.0 million
Interest:	3.30% until September 15, 2023. After that date, the interest rate will be a variable annual rate of return equal to the three-month CDOR, plus 2.14%, payable quarterly.
Redemption and repayment:	Redeemable by the company on or after September 15, 2023, in whole or in part, subject to prior approval by the regulatory bodies. The book value of these debentures includes the transaction costs and the premium at issue for a total of $1.0 million.

More information about the features of the preferred shares and debentures can be found in the prospectus documents, which are available on the Company's website at ia.ca in the *Investor Relations* section under *About iA*.

Controls and Procedures

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all material information is gathered and reported in a timely fashion to senior management, in particular the President and Chief Executive Officer and the Executive Vice-President, Chief Financial Officer and Chief Actuary in order that appropriate decisions may be made regarding disclosure. These controls and procedures are also designed to ensure that the information is gathered, recorded, processed, condensed and reported within the time frames prescribed by the *Canadian Securities Act*.

The Company's President and Chief Executive Officer and the Executive Vice-President, Chief Financial Officer and Chief Actuary are responsible for establishing and maintaining the controls and procedures for disclosing the Company's information. Following an evaluation carried out by these senior officers as at December 31, 2020, the Company's disclosure controls and procedures were deemed to be effective.

Internal Control Over Financial Reporting

The Company's internal control over financial reporting is designed to provide reasonable assurance that the Company's financial reporting is reliable and that, for the purposes of publishing its financial information, the financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The Company's President and Chief Executive Officer and the Executive Vice-President, Chief Financial Officer and Chief Actuary are responsible for establishing and maintaining the Company's internal control over financial reporting as defined in Multilateral Instrument 52-109 (*Certification of Disclosure in Issuers' Annual and Interim Filings*). As at December 31, 2020, they evaluated the effectiveness of the internal control over financial reporting using the framework and criteria established in the *Internal Control – Integrated Framework* report published by the Committee of Sponsoring Organizations of the Treadway Commission. Following this evaluation, they concluded that the internal control over financial reporting was effective. During the year, no changes had, or are reasonably likely to have had, a material impact on internal control over financial reporting.

Significant Accounting and Actuarial Policies

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).

For more information on significant accounting policies, refer to Note 2 of the Company's consolidated financial statements.

The preparation of the financial statements requires that management make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, net income and additional information. Actual results may differ from management's estimates. The estimates and assumptions are revised periodically based on changes in relevant facts and circumstances. The changes are then accounted for in the period in which the revisions are made and in all subsequent periods affected by the revisions. The most significant estimates and judgments pertain to the classification of contracts and the determination of policy liabilities.

Other Items

Related Party Transactions

The value of the related party transactions is presented in Note 27 of the Company's consolidated financial statements.

Guarantees, Commitments and Contingencies

In the normal course of business, the Company frequently signs various types of contracts or agreements which, in certain cases, can be considered to be guarantees, commitments or contingencies.

As at December 31, 2020, the Company's contractual obligations and commitments were as follows:

Contractual Obligations – Payments Due by Period

	As at December 31, 2020			
(In millions of dollars)	**Total**	**Less than 1 year**	**1 year to 5 years**	**More than 5 years**
Debentures	652.5	---	---	652.5
Lease liabilities	126.5	18.9	58.6	49.0
Purchasing commitments	317.5	68.7	248.8	---
Other long-term commitments	5,436.5	3,746.4	1,146.7	543.4
Total of contractual obligations	**6,533.5**	**3,834.0**	**1,454.1**	**1,245.4**

For more information on commitments to third parties, investment commitments and the Company's lines of credit, refer to Note 28 of the consolidated financial statements.

Credit Ratings

iA Financial Corporation and its subsidiaries receive credit ratings from three independent rating agencies: Standard & Poor's, DBRS and A.M. Best. These ratings, presented in the table below, confirm the financial strength of the Company and its ability to meet its commitments to policyholders and creditors.

In 2020, the credit ratings assigned by Standard & Poor's and A.M. Best remained unchanged, with a stable outlook.

In December 2020, DBRS placed the principal credit ratings of iA Financial Corporation Inc. and Industrial Alliance Insurance and Financial Services Inc. under review with positive implications, citing the Company's significant efforts to improve its risk profile, in particular its sensitivity to interest rates and stock markets.

Credit Ratings

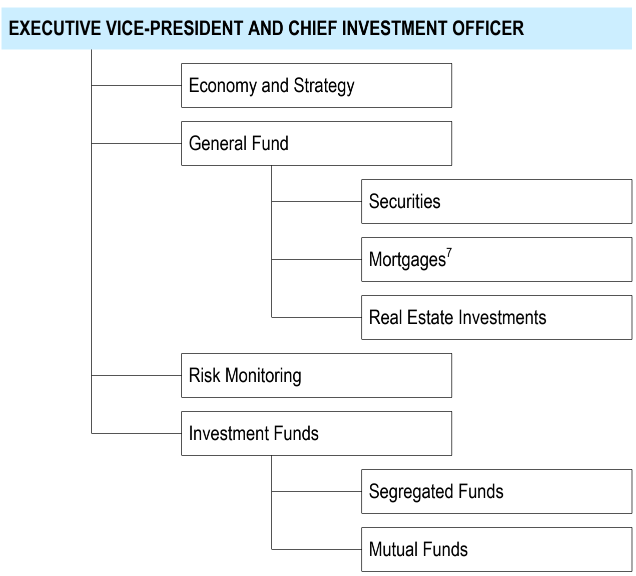
iA Financial Corporation Inc.

Agency	Type of evaluation	Rating
Standard & Poor's	Issuer Credit Rating	A
	Subordinated Debentures	A-
DBRS	Issuer Rating	A (low)
	Subordinated Debentures	BBB (high)
Industrial Alliance Insurance and Financial Services Inc.		
Standard & Poor's	Issuer Credit Rating	AA-
	Financial Strength Rating	AA-
	Subordinated Debentures	A+
	Preferred Shares – Canadian scale	P-1 (Low)
	Preferred Shares – Global scale	A
DBRS	Financial Strength	A (high)
	Issuer Rating	A (high)
	Subordinated Debentures	A
	Preferred Shares	Pfd-2 (high)
A.M. Best	Financial Strength	A+ (Superior)
	Issuer Credit Rating	aa-
	Subordinated Debentures	a
	Preferred Shares	a-
IA American Life Group Entities (IA American Life Insurance Company, American-Amicable Life Insurance Company of Texas, Pioneer Security Life Insurance Company, Pioneer American Insurance Company, Occidental Life Insurance Company of North Carolina)		
A.M. Best	Financial Strength	A (Excellent)
	Issuer Credit Rating	a
Industrial Alliance Pacific General Insurance Corporation		
A.M. Best	Financial Strength	A (Excellent)
	Issuer Credit Rating	a+
Dealers Assurance Company		
A.M. Best	Financial Strength	A- (Excellent)
	Issuer Credit Rating	a-

Investments

Description of Sector

The Investments sector has two main functions: managing the assets in the Company's general fund and managing the investment funds offered to its clients. All of iA Financial Group's investment activities, including those associated with its US Operations, are combined under a single authority and share a common philosophy. The Investments management structure is illustrated below.



The general fund experts manage a diverse range of investments, including bonds, stocks, mortgages, real estate investments, short-term investments and derivatives.

The risk monitoring team is responsible for developing a global vision for the control and monitoring of the various investment risks (interest rate, stock market, foreign currency, credit, liquidity, etc.). In addition to quantifying the risks, the team helps develop strategies for managing these risks effectively.

Most of the Company's investment professionals work for iA Investment Management, where they look after asset allocation and securities selection for the general fund and for a number of segregated and mutual funds, in addition to overseeing all external managers.

Assets Under Management and Administration

At December 31, 2020, the Company had $194.5 billion in assets under management and administration, an increase of $5.8 billion, or 3.1%, versus the previous year.

Assets Under Management and Administration

	As at December 31				
(In millions of dollars)	2020	2019	2018	2017	2016
Assets under management					
General fund	50,652.9	44,503.1	39,759.5	37,789.4	35,223.8
Segregated funds	32,815.5	27,867.9	23,780.6	24,117.0	21,825.8
Mutual funds	11,393.1	11,594.2	10,832.8	11,723.2	10,937.5
Other	3,797.3	15,500.1	14,721.1	15,123.1	16,859.9
Subtotal	98,658.8	99,465.3	89,094.0	88,752.7	84,847.0
Assets under administration	95,830.1	89,245.8	79,677.5	80,787.1	41,387.2
Total	**194,488.9**	**188,711.1**	**168,771.5**	**169,539.8**	**126,234.2**

Assets under management, which are made up of amounts in the general fund, segregated funds and mutual funds, as well as certain assets managed for third parties (classified as *Other*), amounted to $98.7 billion at December 31, 2020, compared to $99.5 billion a year earlier.

Assets under administration of $95.8 billion at December 31, 2020 increased 7.4% compared to the previous year. Assets under administration essentially include third-party assets that are administered through the mutual fund brokerage companies (primarily Investia Financial Services and FundEX Investments), the securities brokerage company (iA Private Wealth[8]) and the trust company (iA Trust).

General Fund

General Fund Investments

The Company takes a prudent, disciplined approach to investing and aims to achieve an optimal balance between risk and return. In addition to ensuring that its investments are well diversified among issuers and operating sectors, as well as geographically, the Company closely monitors its asset/liability matching and maintains a sufficient level of liquidity at all times. For more information about liquidity risk and how it is managed and about the asset/liability matching process and the measures used by the Company to reduce the risks associated with this process, refer to the "Risk Management" section of this Management's Discussion and Analysis.

The assets related to the Company's insurance and annuity operations are mainly invested in fixed-income securities, such as bonds, and to a lesser extent, in equity securities (stocks). The assets related to the Company's capital are invested in fixed-income securities and preferred shares.

7 The Company withdrew from the residential mortgage market in 2020. The mortgage portfolio is now made up of multi-unit residential and non-residential loans.
8 As of January 18, 2021, iA Private Wealth is the new brand replacing iA Securities and HollisWealth.

Composition of General Fund Investments

At the end of 2020, 71.8% of the Company's investments were invested in bonds and 6.3% in mortgages and other loans, for a total of 78.1% in fixed-income securities. The proportion of fixed-income securities has fluctuated between 77% and 79% over the last five years, while stocks have varied between 7% and 11%.

General Fund Investments

	As at December 31				
(In millions of dollars)	2020	2019	2018	2017	2016
Bonds	31,761.6	27,189.0	23,592.3	22,944.1	21,086.8
Mortgages and other loans	2,801.5	3,870.2	3,661.3	3,288.1	3,292.3
Stocks	3,167.6	3,023.5	3,054.8	3,467.0	3,083.0
Real estate	1,916.1	2,076.6	1,720.5	1,340.8	1,237.8
Other invested assets	4,577.9	3,337.6	2,550.0	2,781.9	2,391.0
Total	**44,224.7**	**39,496.9**	**34,578.9**	**33,821.9**	**31,090.9**

Investments by Asset Category

	As at December 31	
	2020	2019
Portfolio	**$44.2B**	**$39.5B**
Bonds	71.8 %	68,8 %
Mortgages and other loans	6.3 %	9,8 %
Stocks	7.2 %	7,7 %
Real estate	4.3 %	5,3 %
Other	10.4 %	8,4 %

Overall Quality of Investments

The overall quality of investments continued to be very good in 2020, despite the pandemic environment.

At December 31, 2020, net impaired investments totalled $31.1 million, compared to $10.9 million a year earlier. On a $44.2 billion portfolio, this represents just 0.07% of total investments (0.03% at December 31, 2019). This increase is related to a single bond that was impacted by the pandemic and for which a provision was taken.

Net Impaired Investments (Excluding Insured Loans)

	As at December 31				
(In millions of dollars)	2020	2019	2018	2017	2016
Bonds	30.8	10.1	12.8	15.1	16.9
Mortgages and other loans	0.3	0.8	3.1	8.3	6.5
Total	**31.1**	**10.9**	**15.9**	**23.4**	**23.4**

Net impaired investments are made up of bonds and conventional mortgages that are three or more months in arrears, as well as restructured loans and other loans in default, taking into account any specific provisions for losses set up in consideration of these assets.

Net Impaired Investments as a Percentage of Total Investments

	As at December 31				
(%)	2020	2019	2018	2017	2016
Net impaired investments	0.07	0.03	0.05	0.07	0.08

For the investment portfolio as a whole, unrealized losses on corporate fixed-income securities classified as *available for sale* amounted to $0.2 million at December 31, 2020 ($1.7 million at December 31, 2019).

Bond Portfolio

The quality of the Company's bond portfolio is very good, totalling $31.8 billion at December 31, 2020.

In accordance with the rules defined in the investment policies, the Company largely invests in bonds whose credit rating from a recognized rating agency is BBB low or higher at the time of acquisition. In the event no evaluation is available from a recognized rating agency, the Company uses an in-house method to evaluate the quality of the bonds in question.

The proportion of bonds rated A or higher made up 82.9% of the bond portfolio at the end of 2020, compared to 83.2% at the end of 2019. At December 31, 2020, bonds rated BB and lower (high-yield bonds) totalled $316.7 million (1.0% of the portfolio), compared to $238.0 million at December 31, 2019 (0.8% of the portfolio).

Bonds by Credit Rating

	As at December 31	
	2020	2019
Portfolio	**$31.8B**	**$27.2B**
AAA	6.0 %	5.7 %
AA	47.5 %	48.2 %
A	29.4 %	29.3 %
BBB	16.1 %	16.0%
BB and lower	1.0 %	0.8%

In addition to investing in bonds issued through public placements (government bonds and bonds of public corporations), the Company also invests in bonds issued through private placements. These bonds offer investment opportunities that are generally not available on the public market, and offer performance and risk features that are suitable for the operations of a life insurance company. They also provide greater access to information from issuers. However, bonds issued through private placements do not have the same level of liquidity and could be affected by changing credit conditions in the market. At December 31, 2020, private issue bonds totalled $5.3 billion, accounting for 16.8% of the bond portfolio ($4.7 billion or 17.5% of the portfolio at December 31, 2019).

Bond Portfolio

	As at December 31				
	2020	2019	2018	2017	2016
Book value of the portfolio ($M)	**31,761.6**	**27,189.0**	**23,592.3**	**22,944.1**	**21,086.8**
Distribution by category of issuer (%)					
Governments	47.6	49.2	50.7	52.0	51.4
Municipalities	4.8	4.8	5.1	5.0	4.4
Corporates – Public issues	30.8	28.5	26.3	26.1	26.2
Corporates – Private issues	16.8	17.5	17.9	16.9	18.0
Total	100.0	100.0	100.0	100.0	100.0

Mortgages and Other Loans Portfolio

The mortgages and other loans portfolio amounted to $2.8 billion at December 31, 2020, a decrease of nearly $1.1 billion from the end of 2019. This decrease is mainly explained by the third quarter sale of the residential mortgage portfolio, which is no longer part of the investment portfolio. At the end of 2020, 15% of the portfolio ($437 million) was securitized through the Canada Mortgage and Housing Corporation (CMHC) Canada Mortgage Bond (CMB) program.

The mortgage portfolio alone, made up of multi-unit residential and non-residential mortgages, totalled $1.9 billion and was of excellent quality at December 31, 2020, with a delinquency rate of nil. The delinquency rate data includes both insured and uninsured mortgages.

During the year, a mortgage payment deferral plan was put in place due to the COVID-19 pandemic. In total, 0.1% of the portfolio was impacted by this plan.

Delinquency Rate as a Percentage of Mortgages

	As at December 31				
(%)	2020	2019	2018	2017	2016
Delinquency rate	—	0.08	0.09	0.34	0.27

As shown in the table below, insured mortgages have represented approximately three-quarters of total mortgages in recent years (73.2% in 2020).

Mortgages and Other Loans Portfolio

	As at December 31				
(%)	2020	2019	2018	2017	2016
Book value of the portfolio ($M)					
Mortgages	1,891.5	3,076.2	2,999.4	2,718.5	2,776.5
Other loans – Car loans	910.0	794.0	661.9	569.6	515.8
Total	**2,801.5**	**3,870.2**	**3,661.3**	**3,288.1**	**3,292.3**
Distribution of mortgages by type of loan (%)					
Insured loans	73.2	73.8	76.4	78.1	77.1
Conventional loans	26.8	26.2	23.6	21.9	22.9
Total	100.0	100.0	100.0	100.0	100.0
Mortgage delinquency rate (%)	---	0.08	0.09	0.34	0.27

At December 31, 2020, the proportion of mortgages secured by multi-unit residential properties was 86.0% (91.6% at December 31, 2019, including residential properties). This number has been above 80% for several years.

Mortgages by Type of Property

	As at December 31	
	2020	2019
Portfolio	**$1.9B**	**$3.1B**
Residential	—	37.0%
Multi-unit residential	86.0 %	54.6%
Non-residential	14.0 %	8.4%

In addition to mortgages and other loans, the Company also manages assets for third parties. In total, the Company's portfolio of mortgages and other loans plus assets managed for third parties amounted to $5.1 billion at December 31, 2020 ($12.9 billion at December 31, 2019). This decrease in assets is explained in part by the sale of the residential mortgage portfolio as well as the transfer to a third-party administrator of a mortgage portfolio that was formerly administered by the Company.

Stock Portfolio

At December 31, 2020, investments in equity securities amounted to $3.2 billion, or 7.2% of the Company's total investments, compared to $3.0 billion or 7.6% a year earlier.

Investments in equity securities, as well as the Company's preferred shares, are used to match long-term insurance contract liabilities and to cover the commitments on certain Universal Life policies. The stock portfolio matched to very long-term commitments delivered a return of 12.9% in 2020, while the Company's preferred shares delivered a return of 9.5%. Private equities occupy an increasingly large part of the portfolio. This equity category offers opportunities in terms of diversification, returns and matching of very long-term commitments.

Stock Portfolio by Type of Matching

	As at December 31	
	2020	2019
Portfolio	**$3.2B**	**$3.0B**
Very long-term commitments	52.3%	49.7%
Universal Life policy	30.0%	29.4%
Capital (preferred shares)	17.7%	20.9%

The management strategy used for the stock portfolio aims to optimize return through investments in preferred shares, common shares, market indices and investment funds. The Company favours a policy of diversification by industrial sector and by issuer to limit its exposure to concentration risk and to participate in the growth of all primary economic sectors.

Stock Portfolio

	As at December 31				
	2020	2019	2018	2017	2016
Book value of the portfolio ($M)	**3,167.6**	**3,023.5**	**3,054.8**	**3,467.0**	**3,083.0**
Distribution by category of stock (%)					
Common shares and investment fund units	27.5	27.3	35.7	41.2	43.3
Preferred shares	23.3	18.5	16.3	18.3	19.7
Market indices	2.1	10.3	10.2	14.3	13.7
Private equities	47.1	43.9	37.8	26.2	23.3
Total	100.0	100.0	100.0	100.0	100.0

Real Estate Portfolio

The Company recognizes investment properties at fair value. The book value of investment properties decreased by $160.5 million in the past year to $1.9 billion at December 31, 2020. Changes in the book value are normally due to the net amount of acquisitions and dispositions, the change in the fair value of investment properties that were reappraised during the year and any capital expenses on the properties. Real estate investments made up 4.2% of total investments at December 31, 2020.

Despite the pandemic, the occupancy rate of investment properties increased slightly during the year (95.0% at December 31, 2020, compared to 94.0% at December 31, 2019). It continues to compare very favourably with that of commercial rental properties in large Canadian cities.

Office buildings account for nearly 87% of the Company's real estate investments.

Investment Properties

	As at December 31				
(In millions of dollars, unless otherwise indicated)	2020	2019	2018	2017	2016
Book value of the portfolio	**1,916.1**	**2,076.6**	**1,720.5**	**1,340.8**	**1,237.8**
Occupancy rate	95.0%	94.0%	95.0%	93.0%	90.2%

Investment Properties by Category of Property

	As at December 31	
	2020	2019
Portfolio	**$1.9B**	**$2.1B**
Office	85.9%	85.0%
Retail	9.8%	11.4%
Industrial	3.9%	3.2%
Multi-unit residential, land and other	0.4%	0.4%

Derivative Financial Instruments

The Company uses derivative financial instruments in the normal course of managing the risk arising from fluctuations in interest rates, equity markets, currencies and credit. These instruments are primarily made up of interest rate, equity and foreign exchange swaps, as well as options, futures and forward contracts.

Derivative financial instruments are used as part of the Company's hedging program. This program aims to alleviate the sensitivity of the capital guarantees on certain segregated fund products to interest rate and stock market fluctuations.

The Company also uses derivatives in the implementation of strategies to improve the matching of assets backing long-term life insurance liabilities and to hedge the risk associated with the Universal Life policy funds.

The Company uses derivative financial instruments to hedge its exposure to currency risk when investing in assets not denominated in the same currency as the liabilities backed by these assets.

The Company has an investment strategy that uses options to obtain synthetic stock market exposure while reducing its macroeconomic risk profile.

The table below presents certain values pertaining to the Company's financial instruments. For more information, refer to Note 8 of the Company's consolidated financial statements.

Derivative Financial Instruments – Fair Value and Exposure

	As at December 31	
(In millions of dollars)	2020	2019
Net fair value	1,082	572
Notional amount	32,094	28,948

Other Invested Assets

The *Other invested assets* category is made up of cash and cash equivalents, policy loans (most insurance contracts, except for term insurance contracts, allow policyholders to obtain a loan on the surrender value of their contracts), derivatives, short-term investments and other investments. These investments totalled $4.6 billion at December 31, 2020 ($3.3 billion at December 31, 2019).

Investment Funds
(Segregated Funds and Mutual Funds)

Investment Fund Assets

Investment fund assets for iA Financial Group totalled $44.2 billion at December 31, 2020 ($32.8 billion in segregated funds and $11.4 billion in mutual funds), up from the previous year. This increase is mainly explained by favourable markets, as well as positive segregated fund sales.

Segregated Fund and Mutual Fund Assets

	As at December 31				
(In billions of dollars)	2020	2019	2018	2017	2016
Segregated funds	32.8	27.9	23.8	24.1	21.8
Mutual funds	11.4	11.6	10.8	11.7	10.9

Range of Funds

The Company offers a broad, diverse range of investment funds. At December 31, 2020, the Company offered close to 200 funds to its clients, and over half of the assets in these funds were managed in-house.

The Company continued to adjust its segregated fund offering in 2020 to increase its diversity and complementarity while adjusting to client demand. In the Individual segregated fund segment, the Company added lower-risk funds to align with certain types of guarantees offered. Funds that meet environmental, social and governance (ESG) criteria were also added during the year. In addition, certain smaller or less popular funds were merged to keep the lineup to a reasonable number of funds.

On the mutual fund front, IA Clarington Investments also reviewed its fund lineup during the year. It added more depth to its fixed-income fund lineup, including the addition of a global fixed-income product. It also made changes to management responsibilities on certain funds and merged several lower-demand products.

Lastly, in the Group Savings and Retirement sector, the Company enhanced its lineup with several new funds, including a number of ESG funds covering both the fixed-income and Canadian and global equity markets.

The Company's Active Investment Funds

	As at December 31, 2020	
	Assets ($Billion)	**Distribution of assets**
Segregated funds	32.8	74%
Mutual funds	11.4	26%
Total	**44.2**	**100%**

Investment Fund Performance

While financial markets continued their good momentum at the beginning of the year, the longest bull market in history ended abruptly last March. Nonetheless, 2020 still proved to be a good year for investors. The massive, coordinated efforts of governments and central banks allowed for a rapid rebound of the markets. The combination of massive stimulus packages, cash injections by central banks and announcements of the beginning of the global vaccination campaign pushed at-risk assets to new highs at the end of the year.

Highlights for 2020 include the performance of the tech-heavy NASDAQ index, which posted an annual return of 43.6% (local currency). The S&P 500 Index, which represents the U.S. stock market, was also carried by technology heavyweights throughout the recovery, ending the year up 16.3% (local currency). The MSCI World and MSCI Emerging Markets indices rose 11.7% and 16.6% respectively, while the S&P/TSX, which represents the Canadian stock market, rose 5.6%. Even the bond market generated solid results as downward pressure on interest rates continued throughout the year, with the FTSE Canada Universe Bond Index posting a gain of 8.7% in 2020.

In this context, the returns on the vast majority of our funds were favourable for our clients. Compared to the competition, our funds posted above-average returns over many periods. The returns on all the Company's investment funds, as well as detailed financial information on these funds, are presented in the investment fund financial reports prepared by iA Financial Group.

Risk Management

The "Risk Management" section of the Management's Discussion and Analysis contains certain information required under IFRS 7 *Financial Instruments: Disclosures* of the International Financial Reporting Standards (IFRS) regarding the nature and scope of the risks arising from financial instruments. This information, which appears in the shaded sections, is an integral part of the audited consolidated financial statements for the period ended December 31, 2020, given that the standard permits cross-references between the Notes to the Financial Statements and the Management's Discussion and Analysis. Because of the references made to the financial statements, the terminology used in this section is generally aligned with what is found in the financial statements.

As an insurance company, iA Insurance assumes a variety of risks inherent in the development and diversification of its operations. As a result, its risk management approach is attuned to its business expansion strategy. The goal of the Company's risk management program is to generate maximum sustainable value for its clients, shareholders and employees, and for the community it serves. More specifically, the Company is committed to carrying out sound and prudent risk management through an approach that balances risk and return. This approach is aligned with the Company's strategic directions, takes risk into account in all decision-making and respects the Company's risk appetite and tolerance. It also ensures that the Company can meets its commitments to policyholders, creditors and regulatory bodies.

The Company's risk management program is supported by a strong code of conduct, a sound risk management culture and an effective framework. The Company maintains an overall vision and continuously demonstrates prudence in implementing its strategies and business decisions in order to protect its reputation and the Company's value. The Company also places particular emphasis on its capital adequacy by maintaining a solvency ratio higher than that required by the regulatory authorities.

Risk Management Principles and Responsibilities

The Company defines risk as the possibility of an event occurring that will have an impact on achieving its objectives. Sound, effective risk management rests on identifying, measuring, assessing, understanding, and communicating the risks the Company is exposed to in the course of its operations.

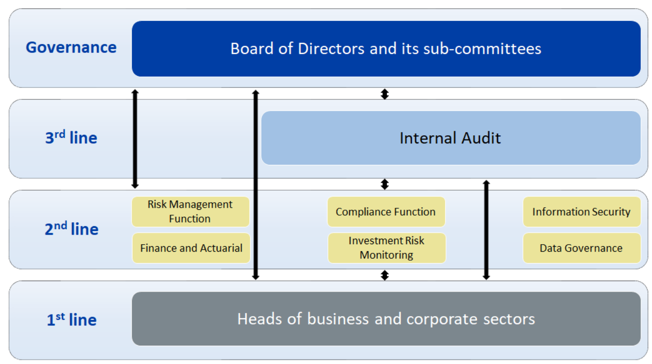
In accordance with this principle, the Company has implemented an enterprise risk management framework that is continually applied and taken into account in developing the Company's business strategies and in all of its operations.

The goal of the framework is to identify, measure, assess, understand, manage and monitor the risks the Company is exposed to in the course of its operations. The framework also defines the Company's risk appetite and tolerance, in other words, the amount of risk the Company wants and is willing to take in order to execute its business strategy and achieve its goals. Lastly, compliance with the framework helps ensure that pertinent information regarding risks is communicated and shared on a regular and timely basis with the various people involved in risk management.

The enterprise risk management framework therefore provides the Board of Directors with reasonable assurance that all required elements are in place within the Company to ensure effective risk management. Compliance with and application of the framework allow for a sound risk management culture to be maintained and promoted within the Company.

The framework is governed by a global policy designed to classify and define the risks the Company is exposed to, outline the risk management governance and organizational structure, including the roles and responsibilities of the various people involved in the risk management process, and identify the key steps in the process, particularly in terms of identifying, measuring, assessing, communicating and monitoring the risks.

The diagram that follow illustrates the responsibility levels with respect to enterprise risk management within the Company.



Supported by a strong risk culture, the Company's risk management approach includes a "three lines of defense" governance model. This approach breaks down the responsibilities according to those who take the risk, those who monitor it and those who provide an independent assessment of the overall process.

The first line of defense includes the President and Chief Executive Officer and the heads of the business and corporate sectors. They are responsible for selecting and executing the business strategies in keeping with the Company's defined risk appetite and tolerance and ensuring a good long-term balance between risk and return. They are also responsible for implementing policies and procedures and for identifying, communicating and managing risks that could prevent them from achieving the objectives identified in their respective areas of responsibility.

The second line of defense includes the risk management and compliance functions, respectively headed up by the Chief Risk Officer and the Chief Compliance Officer. Also included are the Finance and Actuarial, Investment Risk Monitoring, Data Governance and Information Security sectors. The second line of defense is responsible for coordinating the application and enforcement of the enterprise risk management framework within the Company and ensuring that appropriate policies and procedures are defined and effectively implemented by the first line of defense. To this end, it coordinates, guides and supports the first line of defense in the rigorous assessment of significant risks to which the Company is exposed. It works together with the first line to ensure prudent and disciplined management in protecting the Company's reputation and long-term sustainability. The first two lines of defense are also responsible for keeping the Board of Directors regularly informed about the Company's main risks and the steps taken to manage them.

The Chief Risk Officer and his team work closely with the other second line functions and with the first line to promote a culture of sound risk management across the organization. Based on a holistic view of the risks and considering the interrelationships that may exist between them, the Chief Risk Officer communicates any pertinent information to senior management and the Board of Directors.

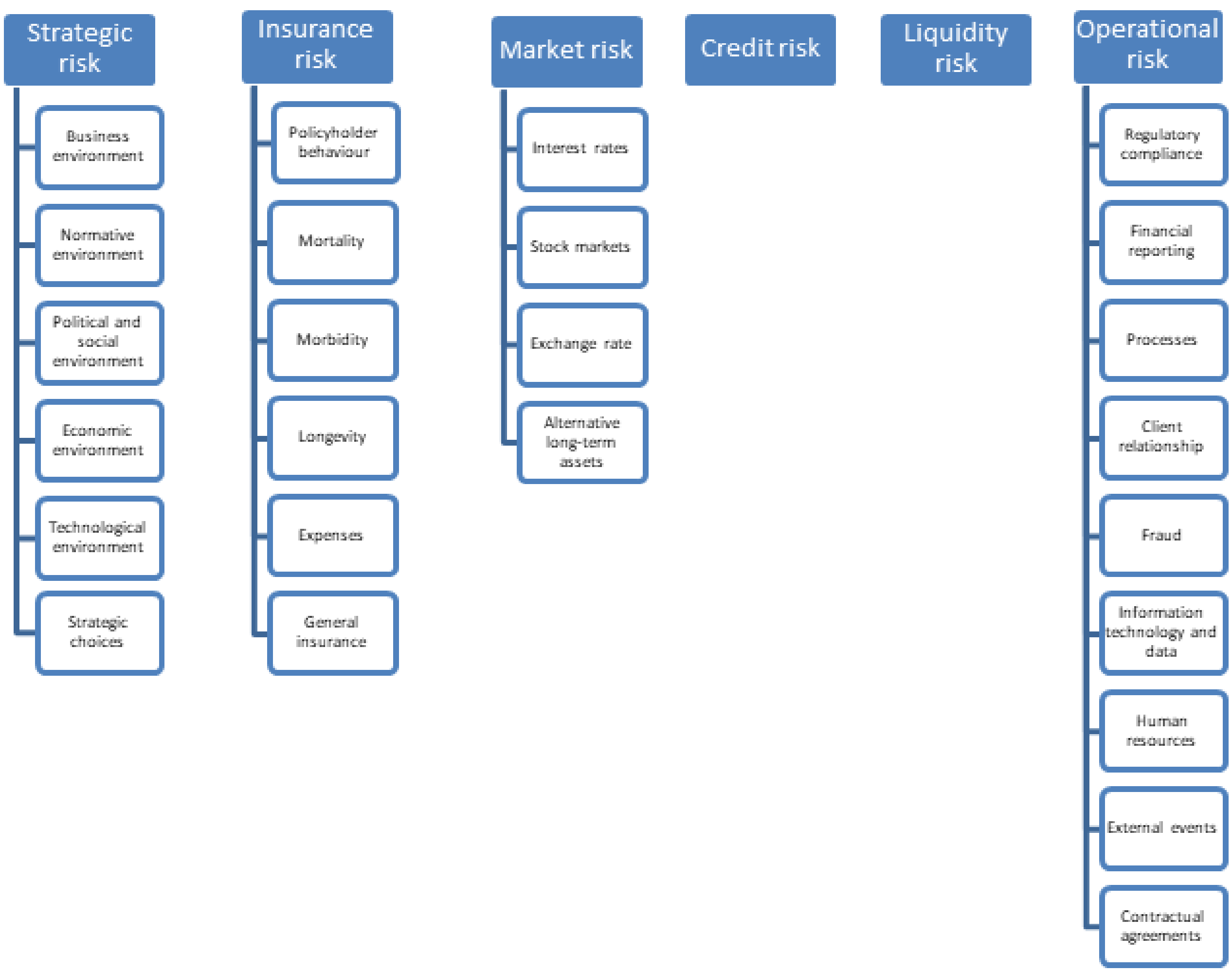
As the third line of defense, Internal Audit assesses the effectiveness of the enterprise risk management framework, recommends improvements to the people involved in the process and reports on the situation to the Board of Directors' Audit Committee.

The Board of Directors verifies and approves the global policy governing the enterprise risk management framework as well as any changes that are made to it. It also approves the overall level of risk the Company is willing to take as well as the tolerance thresholds it is willing to withstand in order to meet its business and growth objectives.

The enterprise risk management framework also applies to the Company's subsidiaries. A functional reporting relationship is established between the risk management and compliance functions and those responsible for risk management and compliance in the subsidiaries.

The boards of directors of the subsidiaries, which are made up of members renowned for their expertise in their respective fields as well as senior executives from the parent company, also play an important role in risk management oversight.

Risk Categories



The above diagram illustrates the categories of risk the Company is exposed to in the course of pursuing its strategic objectives. A summary of these risks and the processes for managing them is outlined in the following pages.

The Company is also exposed to reputation risk. This risk can arise from the occurrence of one or more risks that appear in the six categories outlined below. It may result from negligence or unauthorized actions by an employee or other individual affiliated with the Company, inappropriate behaviour by one of its representatives, or some other event that may, rightly or wrongly, have a negative impact on the public's perception of the Company and potentially lead to fewer clients, lost revenues or considerable litigation costs.

Each of these risk categories can include known or emerging risks. The way in which they are managed across the organization is adjusted accordingly.

Specific management strategies are used for each of the six risk categories. That said, the management of these risks is based on a common underlying element that transcends the organization: the risk management culture. This culture can be defined as the behaviours adopted by Company employees, who observe and apply the principles of the enterprise risk management framework to their job and their day-to-day activities. These behaviours are also governed by respect for ethics and transparency in decision-making. This culture and these behaviours make up the solid common foundation for the Company's risk management activities.

Strategic Risk

Strategic risk may arise from poor strategic decisions or not adapting well to changes in the business, normative, political, economic or technological environment.

Risk Associated with the Business Environment – The insurance and wealth management sectors are highly competitive. There is a risk that competitive pressures could lead to increased pressure on the business model and harm the Company's overall profitability. Changes in client needs and spending habits could also have an adverse effect on the Company's results if it doesn't adapt accordingly.

Risk Associated with the Normative Environment – Financial institutions are subject to a vast number of laws and regulations. As a result, legislative and regulatory changes could increase the amount of time and resources needed to ensure ongoing compliance. The Company is also exposed to risk related to changes in accounting and actuarial standards.

Risk Associated with the Political and Social Environment – Political events or decisions could have an adverse impact on the relevance of the Company's products or its profitability. This also includes risks associated with climate change. The Company is mainly exposed to transition risks (impacts of implementing a low carbon economic model) through its investment portfolio, but this risk appears to be negligible. Its exposure to the oil and gas sector, for example, represents about 3% of the total portfolio as at December 31, 2020. In addition, as a signatory of the United Nations-supported Principles for Responsible Investment (PRI), iA Investment Management analyzes environmental, social and governance (ESG) criteria as part of its investment process. The Company could also be exposed to physical risks (damage resulting directly from weather events) through its general insurance subsidiary, but this risk appears to be negligible. For more information on climate-related risk management, refer to the sustainability report.

Risk Associated with the Economic Environment – Changes in the economic environment like increased credit risk or a deterioration in financial market conditions that leads to increased volatility could increase pressure on the business model or adversely affect the Company's profitability, financial strength and access to capital.

Risk Associated with the Technological Environment – Not adapting well to changes in the technological environment could impact the integrity of our information systems and technology infrastructure or generally disrupt the Company's business plan.

In addition to continuous monitoring, senior management reassesses known and emerging strategic risks annually or more frequently, at their discretion and according to the circumstances. During the corporate and sector strategic planning exercises carried out across the organization, these risks are analyzed to determine their impact on the Company's strategy and, conversely, to identify whether additional strategies are needed to manage or mitigate the risks.

Senior management lays out the strategies and oversees their execution. This work is supported by various key processes.

- Strategic planning in compliance with defined risk tolerance levels and capital adequacy requirements
- Review of the strategies and risks that apply to the Company's main activities

Main Strategic and Emerging Risks

During the 2020 review of strategic and emerging risks, the identified risks were confirmed and the strategies in place for managing them were renewed.

Changes in Technology and the Client Relationship – The advent of new digital and software technologies coupled with shifts in demographics and client preferences has prompted the Company to make strategic choices in these areas. In this regard, the Company is pursuing its cutting-edge digital strategy, which focuses on the client and partner experience.

Risk Related to Changes in Economic Conditions – Operating in the financial sector, the Company relies in part on the economic and financial conditions of the markets in which it operates. In the complex, globalized environment that characterizes these markets, economic conditions can change suddenly and drastically. To protect itself from these unforeseen changes, the Company relies on a balanced business model and chooses strategies that allow it to shield itself while benefiting from the different economic conditions. This balanced strategy allows the Company to remain solvent and prosperous and to continue its long-term growth despite economic volatility.

Risk Related to the COVID-19 Pandemic – Since March 2020, the COVID-19 pandemic has impacted both society in general and the economy. How long it will last, the effectiveness of government measures to slow its spread and the impact of those measures on the economy all remain uncertain. The Company's business continuity protocol was deployed in March 2020, 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.

Data Security and Cyber Risk – The Company pays particular attention to the risk of data theft and other cyber risks by continuously strengthening its cybersecurity risk management framework (see the description of this mechanism in the "Operational Risk" section).

Insurance Risk

Insurance risk is the risk of loss arising from higher claims than anticipated during product pricing and design. This category is associated with the following risk factors:

Policyholder Behaviour – Risk of decrease (increase) in lapse rates compared to assumptions for lapse-supported products (other products).

Mortality – Risk of unfavourable variability in the level, trend or volatility of mortality rates.

Morbidity – Risk of increase (decrease) in occurrence rates (termination rates) for disability or illness insurance claims.

Longevity – Risk of overestimation of the mortality rate in product pricing and design assumptions.

Expenses – Risk of unfavourable variability in the cost of servicing and maintaining in-force policies and associated indirect expenses.

General Insurance – Risk of loss arising from higher claims than anticipated when designing and pricing general insurance products.

Insurance risk can occur at various stages of a product's life cycle, for example during product design and pricing, during underwriting or claims adjudication or when calculating the provisions for future policy benefits. The Company has put controls and processes in place at each of these stages to ensure appropriate management of these risks.

Product Design and Pricing – The Company has adopted a product design and pricing policy that establishes standards and guidelines on pricing methods, formulation of assumptions, profitability objectives, analysis of profitability sensitivity according to various scenarios, documentation, and the accountability of the various people involved.

Underwriting and Claims Adjudication – The Company has established guidelines pertaining to underwriting and claims adjudication risk that specify the Company's retention limits. These retention limits vary according to the type of protection and the characteristics of the insureds, and are revised regularly according to the Company's capacity to manage and absorb the financial impact associated with unfavourable experience regarding each risk. Once the retention limits have been reached, the Company turns to reinsurance to cover the excess risk.

Calculating Provisions for Future Policy Benefits – The Company has developed a policy that outlines the documentation and the control rules needed to ensure that the actuarial valuation standards defined by the Canadian Institute of Actuaries (or any other relevant body), as well as the Company's standards, are followed and applied consistently in all sectors and in all territories where the Company conducts business.

Every year, the appointed actuary ensures that the valuation of provisions for future policy benefits is carried out in accordance with accepted actuarial practice in Canada and that the selected assumptions and valuation methods are appropriate.

The Company's Sensitivity to Certain Insurance Risks – The table below summarizes the impact on net income attributed to common shareholders of adverse deviations from assumptions for certain insurance risks.

Decrease in Net Income Attributed to Common Shareholders Resulting from Adverse Deviations from the Assumptions

(In millions of dollars)	2020	2019
Insurance risk: adverse deviation of 5%		
Mortality rate[9]	179	205
Lapse rate[10]	181	167
Unit costs[11]	64	62
Morbidity rate[12]	65	59

Favourable variances from the assumptions would have the same impact, but in the opposite direction.

For more information on insurance risk management, refer to notes 13 and 14 of the Company's audited consolidated financial statements.

Market Risk

The Company is exposed to market risk, which is the risk that the fair value/future cash flows of an insurance contract/financial instrument will fluctuate due to variations in market risk factors. This category includes risk factors related to interest rates, stock markets, foreign currency and return on alternative long-term assets.

The Company has established investment policies that contain a variety of quantitative measures designed to limit the impact of these risks. The investment policies are reviewed annually and any modifications are submitted to the Board of Directors for approval. Policy management and compliance is monitored regularly and the results are reported to the Board of Directors' Investment Committee at least quarterly.

9 The adverse deviation is expressed assuming 105% of the expected mortality rates, adjusted to reflect the adjustability of certain products.

10 The adverse deviation is expressed assuming 95% of the expected lapse rates for lapse-supported products and 105% of the expected lapse rates for other products, adjusted to reflect the adjustability of certain products.

11 Adjusted to reflect the adjustability of certain products.

12 The adverse deviation is expressed assuming 95% of the expected termination rate when the insured is or becomes disabled and 105% of the expected occurrence rate when the insured is active, adjusted to reflect the adjustability of certain products.

Interest Rate Risk – One of an insurer's fundamental activities is to invest client premiums for the purpose of paying future benefits. In some cases—for death benefits and annuity payments, for instance—the maturity date may be uncertain and potentially a long time in the future. Interest rate risk is the risk of loss associated with fluctuations in benchmark interest rates and/or rate spreads. It can occur if the asset cash flows cannot be reinvested at high enough interest rates compared to the interest rates on the corresponding liabilities, or if an asset needs to be liquidated in order to match the liability cash flows and a loss in market value of the liquidated asset occurs due to rising interest rates. This risk depends on asset allocation as well as external factors that have a bearing on the markets, the nature of the built-in product guarantees, and the policyholder options.

To mitigate this risk, the Company has developed a strict matching process that takes into account the characteristics of the financial liabilities associated with each type of annuity and insurance product. Some of the important factors considered in the matching process include the structure of projected cash flows and the degree of certainty with regard to their maturity, the type of return (fixed or variable), the existence of options or guarantees inherent in the assets and liabilities, and the availability of appropriate assets in the marketplace. Some liabilities can be immunized to a very large degree against interest rate fluctuations because they can be backed by assets offering a similar cash flow structure.

Investment strategies are defined based on the characteristics of the financial liabilities associated with each product. To illustrate the application of these strategies, the liabilities are divided into three main categories, as presented below, based on the structure of the underlying financial commitments.

Net Liabilities According to Type of Matching

	As at December 31			
	2020		2019	
	$M	%	$M	%
Immunized liabilities				
On a cash flow basis	8,866	25%	7,500	25%
Universal Life policy accounts	1,664	5%	1,533	5%
Subtotal	10,530	30%	9,033	30%
Non-immunized liabilities	24,938	70%	21,294	70%
Total	**35,468**	**100%**	**30,327**	**100%**

1› Liabilities Immunized on a Cash Flow Basis

This category represents 25% of the policy liabilities and primarily reflects the commitments with regard to annuity and other insurance contracts with a maturity of less than thirty years.

The Company's main goal in this regard is to minimize its exposure to interest rate sensitivity. With this in mind, for liabilities immunized on a cash flow basis, the objective of the matching strategy is to minimize the volatility of the deviations that can occur between the returns realized on the assets and those expected for the liabilities. In terms of the liabilities, the expected returns include the interest rates credited to client contracts and the fluctuation margins set out in the actuarial valuation of the policy liabilities. To appropriately monitor matching, investments are segmented by blocks based on the cash flow structure of the liabilities, and these blocks are grouped together by line of business. A careful examination of these matching blocks is carried out once a month, and a number of techniques are used to assess the quality of the matching in order to guide the selection of investments.

To measure the sensitivity to interest rate fluctuations, the Company uses metrics recognized by immunization experts, such as duration and dispersion. The investment policies set out maximum spreads between the result of the measures applied to the assets and the corresponding result obtained for the liabilities. These results are provided to the Investment Committee on a quarterly basis.

The Company also carries out sensitivity analyses to assess the financial impact that would result from various types of fluctuations in the interest rate yield curve. These analyses are carried out using stochastic scenarios that are used to quantify the residual risks that may remain in the portfolios. Simulations based on predefined scenarios are also analyzed to measure the impact of specific fluctuations. The sensitivity analyses are also used to assess the behaviour of the future fluctuation margins projected in the actuarial valuation of the policy liabilities.

In addition, in order to minimize the reinvestment risk that can arise when the maturity of the assets does not match the maturity of the corresponding liabilities, the investment policies also require that an effort be made to ensure that the asset cash flows correspond to the liability cash flows. To this end, the policies set relative and absolute limits regarding the size of the cumulative net cash flows, both for all the matching blocks combined and for each individual block.

For this liability category, the use of a very strict immunization approach means that the impact on net income of a decrease or increase in interest rates would be negligible.

2› Immunized Liabilities Linked to Universal Life Policy Accounts

This category represents 5% of policy liabilities, and includes all liabilities linked to Universal Life policy accounts. The returns on these liabilities are determined on the basis of a market or portfolio index. For these liabilities, the matching is carried out using assets whose characteristics correspond to those of the liabilities, or to those of the benchmark index, so as to strictly reproduce the returns credited to the underlying accounts.

For accounts where the return varies based on an index, the impact on net income of a change in the stock markets applied to the assets would be negligible, since an equivalent change would be applied to the corresponding liabilities.

3› Non-Immunized Liabilities

This category corresponds to 70% of the Company's policy liabilities and primarily encompasses individual insurance products whose cash flows have a specific structure and for which a classic immunization strategy cannot be applied. Therefore, for this category, the Company advocates an investment management strategy designed to optimize the long-term returns on the assets by using the various types of leverage available to limit its exposure to reinvestment risk.

For this liability category, a widespread decrease in interest rates could have an adverse impact on annual net income to common shareholders, primarily due to the attendant increase in policy liabilities. If interest rates were to decrease, the reinvested cash flows would generate lower investment income for the total duration of the investment. A decrease in interest rates could lead to a downward adjustment of the initial reinvestment rate (IRR) assumption, and a prolonged decrease could lead to a decrease in the ultimate reinvestment rate (URR) assumption used to calculate the policy liabilities.

The Company uses high-quality assets, primarily made up of long term fixed income securities, equity securities (common and preferred shares, market indexes, market index options and investment fund units), and real estate. The asset class allocation aims to achieve an optimal return at maturity, taking into account capital requirements, expectations regarding the interest rate structure and performance of the stock markets. At the same time, the strategy takes into account the constraints imposed by the investment policies, particularly with regard to diversification of the portfolio.

The Company also uses various types of leverage, including an inter segment note program that allows cash flows to be exchanged among activity sectors and various derivative financial instruments to be used to reduce the reinvestment risk (IRR).

During the period ended December 31, 2020, derivative financial instruments were used as part of the Company's strategy to optimize returns. To mitigate its risk related to interest rate fluctuations on these non-liability backing assets and its mortgage securitization activities, the Company used hedge accounting through derivative instruments with a nominal value of $860 million in 2020 ($1,002 million in 2019). For more information, refer to notes 7 and 8 of the Company's consolidated financial statements as at December 31, 2020.

The following tables summarize the impact of matching and interest rate risk on net income attributed to common shareholders and on accumulated other comprehensive income.

Decrease in Net Income Attributed to Common Shareholders Resulting from Adverse Deviations

(In millions of dollars)	2020	2019
Interest rate risk		
25 basis point decrease in the initial reinvestment rate (IRR)[13]	(10)	(6)
10 basis point decrease in the ultimate reinvestment rate (URR)	68	61

Decrease in Accumulated Other Comprehensive Income Resulting from Interest Rate Fluctuations

(In millions of dollars)	2020	2019
Interest rate risk		
25 basis point drop in interest rates[14]	15	6

Similar increases in the IRR, URR and interest rates would have the same impact as corresponding decreases, but in the opposite direction.

To test for market sensitivity, the Company uses an interest rate variance of 25 basis points for the IRR and 10 basis points for the URR because it believes these interest rate variances to be reasonable given market conditions as at December 31, 2020.

The impact of this variance in interest rates does not take into account the protection for the IRR in the actuarial reserves.

Stock Market Risk – Stock market risk represents the risk of loss resulting from a downturn in the stock markets. The Company is exposed to this risk in various ways as part of its regular operations, through: 1) the fee income collected on the investment funds managed by the Company, which is calculated based on assets under management; 2) the discounted future revenues on Universal Life policy funds; 3) a strengthening of provisions for future policy benefits; and 4) the income on capital generated by the assets backing the Company's capital. For these items, the Company estimates that a sudden 10% drop in the markets as at December 31, 2020 would have led to a $34 million decrease in net income and a $51 million decrease in other comprehensive income over a twelve-month period. A 25% drop in the markets as at December 31, 2020 would have reduced net income by approximately $127 million, and other comprehensive income by $127 million over a twelve-month period.

If the markets were to drop more than 27% from their levels at December 31, 2020, all other things being equal, the Company would not have the leeway to absorb an additional drop in the markets without a significant impact on its provisions for future policy benefits related to individual insurance.

In order to measure its market sensitivity, the Company examined the impact of a 10% market variance at the end of 2020, believing that this kind of variance was reasonable in the current market environment. However, to take into account the possibility that a market variance of more than 10% could have an impact that is not linearly proportional, the Company also measured the impact of a 25% market variance.

Segregated funds expose the Company significantly to the risk of a stock market downturn. In order to mitigate some of the risk associated with this exposure, the Company has set up a dynamic hedging program, which is described a little later in this section.

A segregated fund is a type of investment similar to a mutual fund, but which generally includes a guarantee in the event of death and a guarantee at maturity. Some products may also offer a guarantee for partial withdrawals. Because of the volatility inherent in the stock markets, the Company is exposed to the risk that the market value of the segregated funds will be lower than their guaranteed minimum value at the time the guarantee is applied and that it will then have to compensate the investor for the difference in the form of a benefit. In order to get an overview of its exposure to the risk associated with the segregated fund guarantees, the Company determines the net amount at risk, which is the amount by which the guaranteed minimum value exceeds the market value for all contracts in this situation at a given point in time. The net amount at risk does not constitute a payable benefit as such, since in reality, benefits that might have to be paid in the future will depend on various eventualities, including market performance and contract holder longevity and behaviour.

[13] These estimates do not take into account compensatory measures to alleviate the impact of an interest rate decrease. The Company could reconsider the investment allocation for each asset class backing the very long-term commitments.

[14] Excluding any downward adjustment of the IRR or URR.

The following table provides information on the segregated fund assets under management in the Individual Wealth Management sector.

Individual Wealth Management
Segregated Fund Assets Under Management

(In millions of dollars)	2020	2019
Assets under management	**19,240**	16,392
Guaranteed minimum value	**15,709**	13,753
Value of assets underlying significant guarantees[15]	**7,140**	7,366
Value of assets underlying minimum guarantees[16]	**12,100**	9,026

All contracts with significant guarantees are covered under the hedging program. For some of these contracts issued before the hedging program was in place, the Company assumes 10% of the risk for the guarantees at maturity. There is limited risk for guarantees at death and minimum guarantees, so the Company has decided not to include them in its dynamic hedging program.

The dynamic hedging program involves short selling futures contracts on market indices traded on stock exchanges, as well as signing agreements for forward exchange contracts for currencies traded on stock exchanges, interest rate swaps and internal total-rate-of-return swaps for indices traded on stock exchanges. This program is used to hedge a good portion of the sensitivity of net income to the performance of the bond and equity funds and to the interest rate fluctuations arising from the segregated fund guarantees. In order for the Company's strategy to adequately cover the risks related to the hedged guarantees, a dynamic rebalancing of the hedging instruments is carried out based on changes in financial market conditions. Hence, the variations in the economic worth of the liabilities are largely offset by variations in assets held under the hedging program.

Under the dynamic hedging program, the value of the liabilities associated with the guarantees is updated several times per day to reflect differences between expected experience and actual results. In the process of calculating expected experience, the Company uses certain assumptions regarding policyholder longevity and future redemptions. The redemption assumption, however, has certain limitations. The timing and size of the withdrawals and fund transfers cannot be hedged using derivative financial instruments since these are factors decided by the contract holder, and adverse deviation from expected experience can alter the quality of the hedge.

The dynamic hedging program is not designed to completely eliminate the risks associated with the hedged guarantees. A number of factors can alter the quality of the hedge and potentially lead to a gain or loss on the income statement. The hedging program itself entails certain risks that may limit the program's effectiveness, in particular:

- The program is based on dynamic rebalancing of the derivative hedging instruments. A decrease in the liquidity of these instruments would have an adverse impact on the effectiveness of the program.
- The use of derivative hedging instruments entails a counterparty risk, which is mitigated by the presence of collateral agreements whose net settlement is carried out on a daily basis.
- There may be a favourable or unfavourable variance between the returns realized on the segregated funds and those realized on the hedge positions held to cover the guarantees associated with these funds.

In the first quarter of 2020, the program generated a significant experience loss, mainly due to macroeconomic changes, which can be broken down as follows:

- A loss related to market volatility risk caused by the extreme volatility in March 2020, when volatility levels were among the highest ever and significantly greater than the monthly levels recorded since the program began.
- A loss stemming from the program's basis risk (the difference over time between the return on the funds held by clients and the return on the hedging instruments in the program) and other items.

Nevertheless, the hedging program for segregated fund guarantees continues to be a robust, effective program whose cumulative impact on earnings is expected to be nil in the long term, despite quarterly fluctuations. At its highest point during the first quarter of 2020, the economic value of the hedged guarantees increased by $575 million. This amount was almost entirely offset by the change in value of assets under the hedging program. The program therefore performed as expected and achieved its objective.

In the last eight quarters, the quarterly effectiveness of our dynamic hedging program has fluctuated between 86% and 96% depending on the volatility of the financial markets. In addition, it has had an excellent effectiveness rate of 93% since it was implemented in October 2010.

In order to ensure sound management of the risk of a stock market downturn, the Company's investment policies define quantitative and qualitative limits for the use of equity securities. The target asset mix in the form of equity securities is designed to maximize the Company's returns and reduce the potential risk associated with guaranteed minimum returns under long-term commitments.

The investment policies allow the Company to use derivative financial instruments. The use of these instruments, however, must comply with the risk tolerance limits and the prudential requirements set out in the investment policies, including a minimum credit rating for the counterparty financial institution.

During the period ended December 31, 2020, derivative financial instruments were used as part of yield enhancement strategies. The use of market index options allows the Company to maintain exposure to stock markets for assets backing non-immunized liabilities while limiting potential losses. They were also used as part of the hedging program for segregated fund guarantees and to hedge the risk associated with Universal Life policy funds.

Foreign Currency Risk – Foreign currency risk represents the risk that the Company will have to assume losses due to exchange rates on foreign currencies to which the Company is exposed. The Company has adopted a policy to avoid exposing itself to material currency risk. To this end, liabilities are generally matched with assets expressed in the same currency; otherwise, derivative financial instruments are used to reduce net currency exposure. As at December 31, 2020, the Company was not exposed to any material foreign currency risk.

15 Represents the value of assets underlying guarantees at maturity with a significant level of risk, or withdrawal guarantees.
16 Represents the value of assets for which the risk of the guarantees is limited and which the Company has decided not to include in the dynamic hedging program.

Risk Associated with the Return on Alternative Long-Term Assets – This is the risk of loss arising from fluctuations in the value of private equity, real estate, infrastructure, timberland and farmland.

To mitigate this risk, the Company's investment policies authorize prudent investments in the real estate market, private equity and infrastructure within certain clearly defined limits, both globally and by geographic region. Real estate investments are used to back long term commitments for certain lines of business, like Individual Insurance, and help ensure sound diversification of the Company's investments.

Credit Risk

Credit risk represents the risk of loss arising from a deterioration in credit quality (downgrading) or counterparty default. This risk originates mainly from credit granted in the form of loans, private placements and corporate bonds, but also from exposure to derivative financial instruments and to reinsurers that share our policyholder commitments.

The Company uses derivative products under its investment policies, including swaps, futures and options contracts. These contracts are not used for speculation purposes but for matching assets and liabilities and managing financial risk. They are primarily used to mitigate credit risk, as well as risks associated with fluctuations in interest rates, currencies and stock markets.

The derivative products used under the hedging program for segregated fund guarantees expose the Company to credit risk due to the presence of counterparties involved in the program. As indicated earlier, the counterparty financial institutions for derivative products must meet certain well-defined criteria, and collateral exchange agreements to offset daily variation margins have been reached with these institutions in accordance with industry norms and standards in order to minimize and control the credit risk.

Credit risk can also occur when there is a concentration of investments in entities with similar characteristics or that operate in the same sector or the same geographic region, or when a major investment is made in one entity. More information about concentration risk is presented in note 7 of the consolidated financial statements as at December 31, 2020.

The Company's investment policies aim to mitigate concentration risk by promoting the sound diversification of investments, limiting exposure to any one issuer and seeking a relatively high quality of issuers. They also impose limits by groups of related issuers, by activity sector and by geographic region. These limits depend on the credit quality of the issuers.

The Company also has a specific credit policy for private placements, commercial loans and personal loans that stipulates the assignment of internal credit ratings for investments that do not have a credit rating assigned by a recognized rating agency. The policy and procedures in place establish certain selection criteria and define the credit authorization limits based on the scope and degree of risk. In order to manage the credit risk associated with these investments, the Company may require collateral, particularly for real estate, residential or commercial mortgages.

Lastly, although reinsurance agreements provide for the recovery of claims arising from the liabilities ceded, the Company retains primary responsibility to its policyholders, and is therefore exposed to the credit risk associated with the amounts ceded to reinsurers. This risk category includes residual insurance risk, legal risk, counterparty risk and liquidity risk resulting from reinsurance operations. To limit this risk, the Company applies the processes and criteria prescribed in its reinsurance risk management policy, such as conducting due diligence on the selected reinsurers, limiting the concentration of risks and carrying out sensitivity testing.

Liquidity Risk

Liquidity risk represents the possibility that the Company will not be able to raise the necessary funds, at the appropriate time and under reasonable conditions, to honour its financial commitments.

This risk is managed through matching of assets with financial liabilities as well as strict cash flow management. Moreover, to maintain an appropriate level of liquidity, the Company ensures that it holds a good proportion of its assets in marketable securities.

The use of derivatives requires that securities be sent as collateral to clearing houses and derivative counterparties in order to mitigate the credit risk. Simulations are carried out to measure the liquidity needs that could arise due to interest rate and stock market turmoil in order to assess the liquidity that needs to be maintained to meet those requirements.

In addition to the requirements mentioned above, the Company needs to have additional liquidity available for possible surrenders, contract terminations and pandemic outbreaks. A number of scenarios are analyzed to ensure that the Company will be able to meet its commitments in various extreme situations.

Given the quality of its investment portfolio, and despite financial market volatility, the Company believes its current liquidity level to be adequate.

Operational Risk

Operational risk is the risk of loss arising from deficiencies or errors attributable to processes, people, systems or external events.

This risk is present in all the Company's activities. It can be related to regulatory compliance, financial reporting, human resources, fraud, data protection, information security and technology, process execution, business relationships with clients, external events or contractual agreements with suppliers. The impact of one of these risks occurring can take the form of financial losses, loss of competitive position or injury to reputation. In addition to mitigation measures carried out by Risk Management on all processes and procedures, a continuity plan involving a predefined crisis team reduces this residual risk.

To manage operational risk, the Company emphasizes proactive management practices by ensuring that appropriate and effective internal controls are in place and by utilizing competent, well-trained employees at all levels. The Company also makes it a priority to revise its policies and develop stricter standards, when appropriate, to account for changes in its operations and environment.

In addition, through its enterprise and operational risk management frameworks, the Company makes all managers accountable by asking them to confirm their sector's compliance with procedures, describe the processes in place for ensuring this compliance, and confirm that policies and procedures are up to date. The risks that could arise are also assessed and quantified, as well as the steps taken to manage the most material risks.

Regulatory Non-Compliance Risk – The Company is regulated by the provinces and territories of Canada and by the various states in the U.S. where it conducts business. It is also supervised by various regulatory bodies.

Regulatory non-compliance risk arises from the possibility of the Company failing to comply with applicable regulatory requirements in the jurisdictions where it operates.

The Company has adopted a *Regulatory Risk Management Policy* that is used as the basis for a regulatory risk management program. The Chief Compliance Officer is responsible for coordinating the program within the Company and ensuring that it is implemented and enforced in the various business lines.

To ensure the sound management of regulatory non-compliance risk, the Company uses a methodology that focuses on identifying, assessing and quantifying risk and putting effective, efficient and appropriate controls in place in its day-to-day activities. The Company's assessment of regulatory non-compliance risk includes the potential impacts on its operations and reputation, among other things.

The Company monitors new regulatory risks and communicates them to the appropriate business lines to ensure that any controls required to comply with new laws or guidelines are put in place in a timely manner. More generally, the Company emphasizes ongoing communication to remind employees of the importance of legal and regulatory compliance issues.

Financial Reporting – The Company also maintains an ongoing control evaluation program in order to issue the certification required by the regulatory authorities with respect to the financial information presented in the Company's annual and interim filings (certification under Multilateral Instrument 52-109). Under this program, the managers of each business line evaluate and test the controls in their sector, following which a designated team verifies the quality of the controls and the conclusion of the managers' evaluation. A summary report is submitted annually to the Audit Committee, which then reports the results of the evaluation to the Board of Directors. The certification of the financial information presented in the annual and interim filings is submitted quarterly in the prescribed format. This certification is available on SEDAR and on the Company's website.

Human Resources – The competency of human resources is an essential factor in implementing business and operational risk management strategies. In this regard, the Company follows best practices and has a code of business conduct in addition to well-defined policies and procedures with respect to compensation, recruitment, training, employment equity, diversity and occupational health and safety. These policies are continually kept up to date in order to attract and retain the best candidates at every level of the Company. The Company shows its concern for its employees' quality of life by offering programs that promote a healthy lifestyle and adopting various measures designed to improve the work environment.

Protection of Personal Information – The use of emerging technology entails numerous challenges for the protection of personal information. While data analytics is useful in providing better client service, the increase in available data and the risks associated with it require vigilance by all Company stakeholders. An abundance of privacy risks, ranging from the unethical use of collected data to identity theft, can arise if personal information is hacked or inadvertently disclosed. All of these risks are mitigated by applying sound governance practices throughout the life cycle of all sensitive data. Ensuring the ongoing awareness of all employees and partners also helps to maintain a high level of commitment to privacy, supported by an increased focus on device security. The Company implements policies and directives that regulate data use and governance. It strives to comply with the highest ethical and moral standards while meeting all legal requirements in this regard. It continues to develop new tools and practices to provide optimal protection for all its partners and clients.

Information and Communications Technologies and Cybersecurity – Reliable information and communications technologies (ICTs), protection of information and sophisticated data are essential for the successful execution of the business process, and the Company places special emphasis on this aspect. It has a comprehensive plan in place for reducing and controlling the risk of ICT failure based on best practices and recognized IT standards, protection of information and data management. The management of these risks is reviewed at regular intervals in order to adapt to changing technologies, regulations and Company needs.

Changing business needs in the insurance and financial services industry are accelerating the use of online applications, mobile technologies and cloud computing. Along with this acceleration comes an increase in risks related to information security and cyber threats as it is difficult to develop and implement effective preventive measures to keep up with industry attacks. Cybercrime techniques are sophisticated and continually evolving, and they come from an increasing number of sources: viruses, malware, denial of service, phishing, ransomware, exfiltration, etc.

The potential consequences range from service interruptions and unauthorized access to sensitive or personal information to asset or intellectual property theft. These can lead to reputation damage, lawsuits and other repercussions.

To mitigate information security and cybersecurity risks, the Company has set up and regularly maintains a security risk log for tracking changes in cyber threats, countermeasures and regulatory requirements. In addition, the Company has adopted an information security authority framework outlining roles and responsibilities with respect to information security. It has also approved an information security investment program that includes the implementation of a normative framework, a reference model aligned with industry best practices, and technology resources and services for identifying, preventing, detecting and eliminating threats against its assets and operations. These measures are continuously complemented by information security awareness campaigns and training for all Company employees. The Company also has a cyber risk insurance policy.

Crisis Management – The Company's crisis management and business continuity structure covers all the potential risks the Company may be exposed to, including the risk associated with the physical occupancy of the premises and disruptions in service in the event of a natural disaster, cyber attack, pandemic or other type of disaster. The Company has implemented an extensive business continuity plan and has procedures in place in its primary business offices to minimize service recovery times. Both the business continuity plan and the related procedures are reviewed and tested on a regular basis.

The Company has adopted a detailed communication plan designed to protect its corporate image in a crisis situation and to reassure the public about its ability to manage this kind of situation. The plan outlines the communication strategies to use in a crisis situation in order to notify the public of the causes and consequences of the crisis, the procedures in place to resolve it and the measures taken to reduce the risk of the same thing happening again. In addition, the Company continually monitors social media for elements that could have a negative impact on the Company's reputation and produces a report on the subject once a year. It also keeps a log of complaints found on social media.

Risk Update on the COVID-19 Pandemic

This section analyzes the impact of the COVID-19 crisis on the Company's main risks.

Our preliminary observations are based on the information currently available and are subject to change as the crisis and the government measures impacting equity markets and policyholder behaviour evolve over the coming months.

Business Continuity – When the first alerts were issued by the World Health Organization (WHO) in late January, the Incident Coordination Committee (ICC) set up a risk watch and put together a comprehensive action plan for the Company. In February 2020, the Company began putting measures in place to protect employees and the community. Virtually all employees have been working remotely since mid-March 2020.

To fully support the distribution network amid social distancing requirements, the Company also accelerated the development of its digital tools, trained its advisors and safeguarded its processes to allow remote client support and ensure business continuity.

Data Security and Cyber Risk – In the deployment of the business continuity plan, and in particular with respect to remote working, the Company has closely monitored data security risk and other cyber risks and reinforced the controls in place where appropriate.

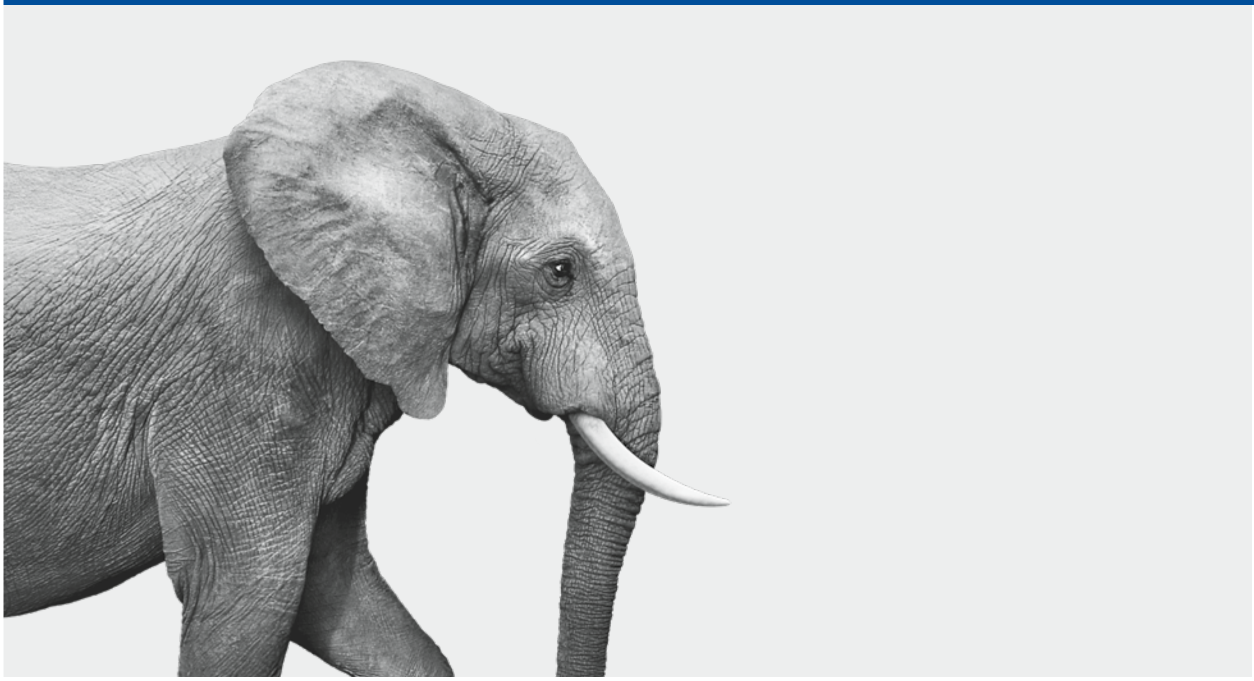
Insurance Risk – COVID-19 has temporarily increased uncertainty about claims volume due to policyholder behaviour, mortality, morbidity, longevity and general insurance claims. The Company's sensitivity to these assumptions is presented in the "Insurance Risk" section of this report.

Interest Rate Risk – The tables presented in the "Interest Rate Risk" section summarize the impact of matching and interest rate risk on net income attributed to common shareholders and on accumulated other comprehensive income.

Stock Market Risk – COVID-19 and its repercussions on the economy increase stock market volatility. The Company's sensitivity to a sudden drop in the markets is presented in the "Stock Market Risk" section of this report.

Strategic Risk – The COVID-19 pandemic could lead to changes in behaviour or health risks (long-term health issues or delayed diagnoses) for clients. Senior management has strengthened the strategic risk assessment for those factors that could increase uncertainty about the growth outlook for certain sectors.

iA Financial Group
1080 Grande Allée West
PO Box 1907, Station Terminus
Quebec City, QC G1K 7M3
Telephone: 418-684-5000
Toll-free: 1-800-463-6236



INVESTED IN YOU.

ia.ca

SRM158A-1(20-04) PDF