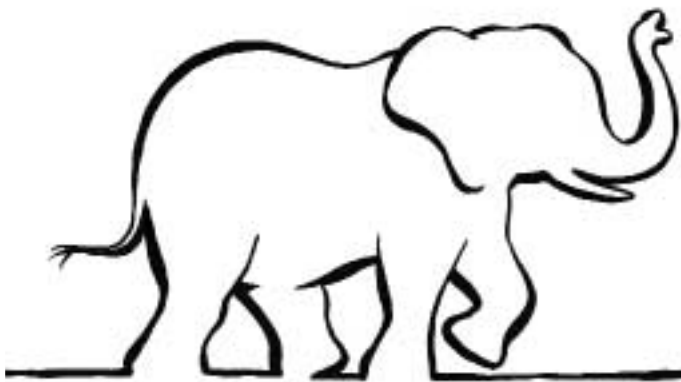


Financial Information Package
for the Third Quarter 2006

As at September 30, 2006



IN LINE WITH YOUR LIFE®



INDUSTRIAL ALLIANCE
INSURANCE AND FINANCIAL SERVICES INC.

TABLE OF CONTENTS	PAGE
HIGHLIGHTS	1
PROFITABILITY	3
Net income	
Net income, adjusted	
Return on common shareholders' equity	
Earnings per common share	
Net income (loss) attributable to shareholders by line of business	
Net income attributable to shareholders by line of business, adjusted	
SOURCES OF EARNINGS BY LINE OF BUSINESS	4
BUSINESS GROWTH	6
Revenues	
Premiums and deposits by line of business	
Individual Insurance	
Individual Wealth Management	
Group Insurance	
Group Pensions	
Distribution of premiums by region	
Assets under management/administration	
INVESTED ASSETS	8
Value and distribution of investments	
Impaired investments and provisions	
Bonds	
Mortgages	
Stocks	
Real estate	
Other	
CAPITALIZATION	11
Solvency ratio	
Capital structure	
Debt measures	
Credit ratings	
EMBEDDED VALUE	13
Embedded value	
Embedded value added	
Embedded value by component	
Principal assumptions	
Sensitivity analysis	
Embedded value of new sales	
MARKET DATA	15
OTHER INFORMATION	15
General expenses	
Human resources	
Other	
CONSOLIDATED FINANCIAL STATEMENTS	16
Income statements	
Balance sheets - General fund assets	
Balance sheets - General fund liabilities and equity	
GLOSSARY	19

HIGHLIGHTS

	Three months ended September 30			Nine months ended September 30			Twelve months ended December 31
	2006	2005	Variation	2006	2005	Variation	2005
<i>(in millions of dollars, unless otherwise indicated)</i>							
PROFITABILITY							
Net income attributable to shareholders	56.1	(1.4)	---	170.0	85.5	99%	132.2
Preferred shareholders dividends	(1.4)	---	---	(3.4)	---	---	---
Net income attributable to common shareholders	54.7	(1.4)	---	166.6	85.5	95%	132.2
Net income attributable to shareholders by line of business							
Individual Insurance	21.1	20.1	5%	63.9	59.3	8%	80.4
Individual Wealth Management	17.7	(36.0)	---	58.1	(13.0)	---	(1.4)
Group Insurance	12.8	10.1	27%	35.7	25.8	38%	35.1
Group Pensions	4.5	4.4	2%	12.3	13.4	(8%)	18.1
Total	56.1	(1.4)	---	170.0	85.5	99%	132.2
Return on common shareholders' equity, quarter annualized	15.4%	(0.5%)	---	---	---	---	---
Earnings per common share, diluted	\$0.68	\$(0.02)	\$0.70	\$2.04	\$1.07	\$0.97	\$1.65
BUSINESS GROWTH							
Sales by line of business							
Individual Insurance ¹	37.2	35.3	5%	113.0	102.5	10%	141.3
Individual Wealth Management ²							
General fund	65.9	49.5	33%	219.1	178.2	23%	242.4
Segregated funds	158.4	179.9	(12%)	754.2	618.2	22%	805.2
Mutual funds	228.7	87.3	162%	932.9	319.8	192%	412.6
Total	453.0	316.7	43%	1,906.2	1,116.2	71%	1,460.2
Group Insurance ³							
Employee plans	21.3	9.7	120%	55.3	37.4	48%	52.3
Creditor insurance	53.7	49.9	8%	136.2	122.0	12%	158.8
Special Markets Group (SMG)	22.3	20.8	7%	63.9	62.9	2%	87.4
Group Pensions ⁴	111.6	167.4	(33%)	622.1	435.7	43%	564.8
Premiums and deposits by line of business							
Premiums							
Individual Insurance	208.5	183.8	13%	621.6	565.1	10%	768.7
Individual Wealth Management	224.3	229.4	(2%)	973.3	796.4	22%	1,047.6
Group Insurance	198.3	183.4	8%	559.4	523.8	7%	694.9
Group Pensions	111.6	167.4	(33%)	622.1	435.7	43%	564.8
General Insurance	27.4	24.6	11%	78.7	70.4	12%	95.1
Total	770.1	788.6	(2%)	2,855.1	2,391.4	19%	3,171.1
Deposits							
Individual Wealth Management - Mutual funds	228.7	87.3	162%	932.9	319.8	192%	412.6
Total	998.8	875.9	14%	3,788.0	2,711.2	40%	3,583.7
Assets under management and administration	44,286.0	32,319.7	37%	44,286.0	32,319.7	37%	38,171.2

For comparison purposes, certain previous data have been reclassified.

¹ Individual Insurance sales (new business) are defined as follows: first-year annualized premiums.

² Individual Wealth Management sales (new business) are defined as follows: premiums for the general fund and for the segregated funds, and deposits for the mutual funds.

³ Group Insurance sales (new business) are defined as follows: first-year annualized premiums for Employee plans, including premium equivalents (administrative services only contracts); gross premiums (premiums before reinsurance) for Creditor Insurance; and premiums for Special Markets Group.

⁴ Group Pensions sales (new business) are defined as follows: premiums.

HIGHLIGHTS (continued)

<i>(in millions of dollars, unless otherwise indicated)</i>	September 30, 2006	June 30, 2006	March 31, 2006	December 31, 2005
QUALITY OF INVESTMENTS				
Impaired investments and provisions (excluding insured loans)				
Net impaired investments	8.1	7.1	7.7	7.6
Net impaired investments as a % of total investments	0.07%	0.06%	0.07%	0.07%
Provisions	87.2	89.3	89.3	89.2
Provisions as a % of gross impaired investments	91.4%	92.7%	92.0%	92.1%
Bonds				
Rated BB and lower	0.33%	0.34%	0.35%	0.36%
Delinquency rate	0.02%	0.02%	0.02%	0.02%
Mortgages				
Delinquency rate	0.30%	0.26%	0.32%	0.30%
Proportion of delinquent loans that are insured	93.1%	100.0%	91.9%	93.0%
Stocks: market value/book value	108.3%	107.8%	109.4%	108.0%
Real estate: occupancy rate	95.2%	97.7%	96.8%	96.8%
SOLVENCY RATIO				
Capitalization (MCCSR)	202%	199%	202%	188%

PROFITABILITY

<i>(in millions of dollars, unless otherwise indicated)</i>	2006			2005				2004		2006	2005	2005	2004
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	YTD	YTD	Annual	Annual
Net income (restated^{1,2})													
Net income (loss)	57.2	66.0	49.1	47.4	(1.1)	45.0	43.3	37.1	43.7	172.3	87.2	134.6	159.2
Net income attributable to participating policyholders	1.1	0.9	0.3	0.7	0.3	0.5	0.9	2.8	0.4	2.3	1.7	2.4	4.1
Net income (loss) attributable to shareholders	56.1	65.1	48.8	46.7	(1.4)	44.5	42.4	34.3	43.3	170.0	85.5	132.2	155.1
Preferred shareholders dividends	(1.4)	(1.4)	(0.6)	---	---	---	---	---	---	(3.4)	---	---	---
Net income (loss) attributable to common shareholders	54.7	63.7	48.2	46.7	(1.4)	44.5	42.4	34.3	43.3	166.6	85.5	132.2	155.1
Net income, adjusted (restated^{1,2})													
Net income (loss) attributable to shareholders	56.1	65.1	48.8	46.7	(1.4)	44.5	42.4	34.3	43.3	170.0	85.5	132.2	155.1
Restructuring charges net of tax ³	0.8	0.9	0.6	1.5	0.7	1.0	0.9	6.1	---	2.3	2.6	4.1	6.1
Impact of the tax reduction on the future income tax liability	---	(11.5)	---	---	---	---	---	---	---	(11.5)	---	---	---
Change of reinsurer net of tax	---	---	---	---	(4.2)	---	---	---	---	---	(4.2)	(4.2)	---
Provision for the Norshield funds net of tax	---	---	---	---	52.1	---	---	---	---	---	52.1	52.1	---
Net income attributable to shareholders, adjusted	56.9	54.5	49.4	48.2	47.2	45.5	43.3	40.4	43.3	160.8	136.0	184.2	161.2
Return on common shareholders' equity (restated^{1,2})													
Return on common shareholders' equity													
Quarter annualized	15.4%	18.3%	14.0%	14.1%	(0.5%)	14.0%	13.8%	11.4%	14.7%	---	---	---	---
Last 12 months	15.7%	11.7%	10.5%	10.3%	9.7%	13.5%	13.5%	13.6%	14.0%	15.7%	9.7%	10.3%	13.6%
Return on common shareholders' equity, adjusted													
Quarter annualized	15.6%	15.3%	14.2%	14.1%	14.3%	14.3%	14.0%	13.4%	14.7%	---	---	---	---
Last 12 months	15.2%	14.5%	14.1%	14.0%	14.0%	14.1%	14.1%	14.1%	14.0%	15.2%	14.0%	14.0%	14.1%
Earnings per common share⁴ (restated^{1,2})													
Earnings (losses) per common share													
Basic	\$0.68	\$0.79	\$0.59	\$0.59	\$(0.02)	\$0.56	\$0.53	\$0.43	\$0.55	\$2.06	\$1.07	\$1.66	\$1.96
Diluted	\$0.68	\$0.78	\$0.59	\$0.58	\$(0.02)	\$0.56	\$0.53	\$0.43	\$0.54	\$2.04	\$1.07	\$1.65	\$1.95
Earnings per common share, adjusted													
Basic	\$0.69	\$0.66	\$0.60	\$0.60	\$0.59	\$0.57	\$0.54	\$0.51	\$0.55	\$1.95	\$1.70	\$2.31	\$2.03
Diluted	\$0.69	\$0.65	\$0.59	\$0.60	\$0.59	\$0.57	\$0.54	\$0.50	\$0.54	\$1.93	\$1.70	\$2.30	\$2.02
Net income (loss) attributable to shareholders by line of business (restated^{1,2})													
Individual Insurance	21.1	23.2	19.6	21.1	20.1	19.1	20.1	15.4	19.7	63.9	59.3	80.4	73.5
Individual Wealth Management	17.7	22.8	17.6	11.6	(36.0)	12.7	10.3	7.6	8.5	58.1	(13.0)	(1.4)	33.3
Group Insurance	12.8	15.2	7.7	9.3	10.1	8.0	7.7	8.0	11.2	35.7	25.8	35.1	33.6
Group Pensions	4.5	3.9	3.9	4.7	4.4	4.7	4.3	3.3	3.9	12.3	13.4	18.1	14.7
Total	56.1	65.1	48.8	46.7	(1.4)	44.5	42.4	34.3	43.3	170.0	85.5	132.2	155.1
Net income attributable to shareholders by line of business, adjusted (restated²)													
Individual Insurance	21.7	16.5	20.1	22.2	18.7	19.7	20.7	20.2	19.7	58.3	59.1	81.3	78.3
Individual Wealth Management	17.9	21.4	17.7	11.9	13.8	12.8	10.4	8.6	8.5	57.0	37.0	49.0	34.3
Group Insurance	12.8	12.6	7.7	9.3	10.2	8.3	7.9	8.3	11.2	33.1	26.4	35.7	33.9
Group Pensions	4.5	4.0	3.9	4.7	4.5	4.7	4.3	3.3	3.9	12.4	13.5	18.2	14.7
Total	56.9	54.5	49.4	48.2	47.2	45.5	43.3	40.4	43.3	160.8	136.0	184.2	161.2

¹ Further to securities regulations and GAAP that apply when issuing a take-over bid circular, the third quarter 2005 data were restated to consider an additional \$64.9 provision (\$43.4 after tax) related to the investment in Norshield. This provision was made subsequent to the end of the quarter, but applied to the third quarter, and brings the Company's total provision in Norshield to \$77.9 (\$52.1 after tax), its entire investment in Norshield.

² The data for the third quarter of 2004 were restated after the Company realized that the amount that could be transferred from the Participating Policyholders' Account to the Retained Earnings, pursuant to the *Insurance Companies Act*, had been understated, each year since 1981, following the incorrect application of the calculation method.

³ The restructuring charges relate to the Company's decision announced on December 1, 2004 to integrate the operations of its National Life subsidiary with those of the parent company.

⁴ For comparison purposes, the data for 2004 and the first quarter of 2005 have been recalculated to reflect the two-for-one split of the Company's common shares effective on May 18, 2005.

SOURCES OF EARNINGS BY LINE OF BUSINESS

	2006			2005				2004		2006	2005	2005	2004
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	YTD	YTD	Annual	Annual
<i>(in millions of dollars, unless otherwise indicated)</i>													
Individual Insurance													
Operating profit													
Expected profit from in-force	43.5	42.8	42.0	39.5	39.1	38.8	38.6	37.0	36.7	128.3	116.5	156.0	146.6
Experience gain (loss)	(0.1)	(0.9)	2.1	4.0	(0.5)	0.3	1.9	(0.8)	0.3	1.1	1.7	5.7	0.2
Gain (strain) on sales	(23.8)	(28.5)	(25.2)	(21.7)	(21.1)	(21.7)	(18.4)	(17.6)	(18.8)	(77.5)	(61.2)	(82.9)	(70.3)
Changes in assumptions	0.0	0.0	0.0	(1.5)	0.0	0.0	0.0	(0.5)	0.0	0.0	0.0	(1.5)	(0.5)
Total	19.6	13.4	18.9	20.3	17.5	17.4	22.1	18.1	18.2	51.9	57.0	77.3	76.0
Income on capital (restated ¹)	12.7	11.7	11.5	11.6	10.9	10.3	8.6	10.3	9.9	35.9	29.8	41.4	36.5
Income taxes	(10.6)	(8.6)	(10.3)	(9.7)	(9.7)	(8.0)	(10.0)	(8.2)	(8.4)	(29.5)	(27.7)	(37.4)	(34.2)
Net income before other items	21.7	16.5	20.1	22.2	18.7	19.7	20.7	20.2	19.7	58.3	59.1	81.3	78.3
Other items ² (restated ³)	(0.6)	6.7	(0.5)	(1.1)	1.4	(0.6)	(0.6)	(4.8)	0.0	5.6	0.2	(0.9)	(4.8)
Net income to shareholders	21.1	23.2	19.6	21.1	20.1	19.1	20.1	15.4	19.7	63.9	59.3	80.4	73.5
Individual Wealth Management													
Operating profit													
Expected profit from in-force	23.5	22.8	22.0	15.1	14.2	13.6	12.9	12.5	12.1	68.3	40.7	55.8	46.7
Experience gain (loss)	1.4	2.6	3.5	5.0	4.1	3.9	0.6	0.7	(0.3)	7.5	8.6	13.6	2.5
Gain (strain) on sales	(1.6)	(1.4)	(0.9)	(2.8)	(2.2)	(1.2)	(2.1)	(3.4)	(2.8)	(3.9)	(5.5)	(8.3)	(11.9)
Changes in assumptions	0.0	0.0	0.0	(1.6)	0.0	0.0	0.0	(1.9)	0.0	0.0	0.0	(1.6)	(1.9)
Total	23.3	24.0	24.6	15.7	16.1	16.3	11.4	7.9	9.0	71.9	43.8	59.5	35.4
Income on capital (restated ¹)	1.2	1.4	1.1	2.7	2.8	2.6	3.6	4.4	3.5	3.7	9.0	11.7	14.6
Income taxes	(6.6)	(4.0)	(8.0)	(6.4)	(5.1)	(6.1)	(4.6)	(3.7)	(4.0)	(18.6)	(15.8)	(22.2)	(15.7)
Net income before other items	17.9	21.4	17.7	12.0	13.8	12.8	10.4	8.6	8.5	57.0	37.0	49.0	34.3
Other items ² (restated ³)	(0.2)	1.4	(0.1)	(0.4)	(49.8)	(0.1)	(0.1)	(1.0)	0.0	1.1	(50.0)	(50.4)	(1.0)
Net income (loss) to shareholders	17.7	22.8	17.6	11.6	(36.0)	12.7	10.3	7.6	8.5	58.1	(13.0)	(1.4)	33.3
Group Insurance													
Operating profit													
Expected profit from in-force	11.5	9.8	9.0	11.7	11.8	10.9	9.6	8.3	7.7	30.3	32.3	44.0	27.9
Experience gain (loss)	2.0	4.3	(0.4)	0.9	0.0	(1.4)	0.2	3.0	6.8	5.9	(1.2)	(0.3)	16.3
Gain (strain) on sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Changes in assumptions	0.0	0.0	0.0	(1.1)	0.0	0.0	0.0	(1.3)	0.0	0.0	0.0	(1.1)	(1.3)
Total	13.5	14.1	8.6	11.5	11.8	9.5	9.8	10.0	14.5	36.2	31.1	42.6	42.9
Income on capital (restated ¹)	3.4	2.8	3.0	2.9	2.7	2.5	2.0	2.7	2.0	9.2	7.2	10.1	8.0
Income taxes	(4.1)	(4.3)	(3.9)	(5.1)	(4.3)	(3.7)	(3.9)	(4.4)	(5.3)	(12.3)	(11.9)	(17.0)	(17.0)
Net income before other items	12.8	12.6	7.7	9.3	10.2	8.3	7.9	8.3	11.2	33.1	26.4	35.7	33.9
Other items ²	0.0	2.6	0.0	0.0	(0.1)	(0.3)	(0.2)	(0.3)	0.0	2.6	(0.6)	(0.6)	(0.3)
Net income to shareholders	12.8	15.2	7.7	9.3	10.1	8.0	7.7	8.0	11.2	35.7	25.8	35.1	33.6

¹ The data the third quarter of 2004 were restated after the Company realized that the amount that could be transferred from the Participating Policyholders' Account to the Retained Earnings, pursuant to the *Insurance Companies Act*, had been understated, each year since 1981, following the incorrect application of the calculation method.

² The other items represent the restructuring charges net of tax related to the integration of the National Life subsidiary. 2005 also includes an amount of \$4.2 (net of tax) with respect to a change of reinsurer for a block of business of the National Life subsidiary and a provision of \$52.1 (net of tax) with respect to the Norshield funds. The second quarter 2006 also includes the impact of the reduction in the tax rate on the future income tax liability.

³ Further to securities regulations and GAAP that apply when issuing a take-over bid circular, the third quarter 2005 data were restated to consider an additional \$64.9 provision (\$43.4 after tax) related to the investment in Norshield. This provision was made subsequent to the end of the quarter, but applied to the third quarter, and brings the Company's total provision in Norshield to \$77.9 (\$52.1 after tax), its entire investment in Norshield.

SOURCES OF EARNINGS BY LINE OF BUSINESS (continued)

	2006			2005				2004		2006	2005	2005	2004
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	YTD	YTD	Annual	Annual
<i>(in millions of dollars, unless otherwise indicated)</i>													
Group Pensions													
Operating profit													
Expected profit from in-force	3.9	3.8	3.6	3.3	3.2	3.1	2.9	2.8	2.7	11.3	9.2	12.5	10.5
Experience gain (loss)	0.1	(0.1)	0.3	(2.3)	0.7	0.9	0.7	(1.2)	(0.2)	0.3	2.3	0.0	(0.8)
Gain (strain) on sales	0.0	0.1	(0.6)	0.0	(0.9)	(0.1)	(0.2)	0.1	(0.1)	(0.5)	(1.2)	(1.2)	(0.2)
Changes in assumptions	0.0	0.0	0.0	2.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.1	0.0
Total	4.0	3.8	3.3	3.1	3.0	3.9	3.4	1.7	2.4	11.1	10.3	13.4	9.5
Income on capital (restated ¹)	2.2	1.8	2.2	2.9	3.0	2.8	2.6	3.0	2.9	6.2	8.4	11.3	10.7
Income taxes	(1.7)	(1.6)	(1.6)	(1.3)	(1.5)	(2.0)	(1.7)	(1.4)	(1.4)	(4.9)	(5.2)	(6.5)	(5.5)
Net income before other items	4.5	4.0	3.9	4.7	4.5	4.7	4.3	3.3	3.9	12.4	13.5	18.2	14.7
Other items ²	0.0	(0.1)	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	(0.1)	(0.1)	(0.1)	0.0
Net income to shareholders	4.5	3.9	3.9	4.7	4.4	4.7	4.3	3.3	3.9	12.3	13.4	18.1	14.7
Total company													
Operating profit													
Expected profit from in-force	82.4	79.2	76.6	69.6	68.3	66.4	64.0	60.6	59.2	238.2	198.7	268.3	231.7
Experience gain (loss)	3.4	5.9	5.5	7.6	4.3	3.7	3.4	1.7	6.6	14.8	11.4	19.0	18.2
Gain (strain) on sales	(25.4)	(29.8)	(26.7)	(24.5)	(24.2)	(23.0)	(20.7)	(20.9)	(21.7)	(81.9)	(67.9)	(92.4)	(82.4)
Changes in assumptions	0.0	0.0	0.0	(2.1)	0.0	0.0	0.0	(3.7)	0.0	0.0	0.0	(2.1)	(3.7)
Total	60.4	55.3	55.4	50.6	48.4	47.1	46.7	37.7	44.1	171.1	142.2	192.8	163.8
Income on capital (restated ¹)	19.5	17.7	17.8	20.1	19.4	18.2	16.8	20.4	18.3	55.0	54.4	74.5	69.8
Income taxes	(23.0)	(18.5)	(23.8)	(22.5)	(20.6)	(19.8)	(20.2)	(17.7)	(19.1)	(65.3)	(60.6)	(83.1)	(72.4)
Net income before other items	56.9	54.5	49.4	48.2	47.2	45.5	43.3	40.4	43.3	160.8	136.0	184.2	161.2
Other items ² (restated ³)	(0.8)	10.6	(0.6)	(1.5)	(48.6)	(1.0)	(0.9)	(6.1)	0.0	9.2	(50.5)	(52.0)	(6.1)
Net income (loss) to shareholders	56.1	65.1	48.8	46.7	(1.4)	44.5	42.4	34.3	43.3	170.0	85.5	132.2	155.1

¹ The data for the third quarter of 2004 were restated after the Company realized that the amount that could be transferred from the Participating Policyholders' Account to the Retained Earnings, pursuant to the *Insurance Companies Act*, had been understated, each year since 1981, following the incorrect application of the calculation method.

² The other items represent the restructuring charges net of tax related to the integration of the National Life subsidiary. 2005 also includes an amount of \$4.2 (net of tax) with respect to a change of reinsurer for a block of business of the National Life subsidiary and a provision of \$52.1 (net of tax) with respect to the Norshield funds. The second quarter 2006 also includes the impact of the reduction in the tax rate on the future income tax liability.

³ Further to securities regulations and GAAP that apply when issuing a take-over bid circular, the third quarter 2005 data were restated to consider an additional \$64.9 provision (\$43.4 after tax) related to the investment in Norshield. This provision was made subsequent to the end of the quarter, but applied to the third quarter, and brings the Company's total provision in Norshield to \$77.9 (\$52.1 after tax), its entire investment in Norshield.

BUSINESS GROWTH

	2006			2005				2004		2006	2005	2005	2004
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	YTD	YTD	Annual	Annual
<i>(in millions of dollars, unless otherwise indicated)</i>													
Revenues													
Premiums¹													
General fund	520.6	552.4	545.9	489.4	517.1	482.6	492.1	494.6	455.1	1,618.9	1,491.8	1,981.2	1,870.9
Segregated funds	249.5	454.5	532.2	290.3	271.5	267.9	360.2	239.7	204.0	1,236.2	899.6	1,189.9	981.5
Total	770.1	1,006.9	1,078.1	779.7	788.6	750.5	852.3	734.3	659.1	2,855.1	2,391.4	3,171.1	2,852.4
Net investment income (restated²)													
Investment income	173.9	145.3	153.4	156.8	152.9	149.5	150.6	157.2	144.1	472.6	453.0	609.8	596.0
Realized and unrealized gains (losses)	46.1	(12.2)	70.3	42.6	50.7	42.6	21.5	50.5	(4.7)	104.2	114.8	157.4	100.1
Change in provision for losses	2.1	0.0	(0.1)	0.0	(77.9)	0.0	1.6	0.0	0.7	2.0	(76.3)	(76.3)	0.8
Total	222.1	133.1	223.6	199.4	125.7	192.1	173.7	207.7	140.1	578.8	491.5	690.9	696.9
Fees and other income													
Total revenues	62.8	62.7	63.5	43.2	42.3	42.8	39.1	35.8	32.2	189.0	124.2	167.4	128.9
Total revenues	1,055.0	1,202.7	1,365.2	1,022.3	956.6	985.4	1,065.1	977.8	831.4	3,622.9	3,007.1	4,029.4	3,678.2
Additional information (restated²)													
Net investment income	222.1	133.1	223.6	199.4	125.7	192.1	173.7	207.7	140.1	578.8	491.5	690.9	696.9
Flow through to policyholders (UL accounts) ³	31.1	(43.9)	44.9	13.4	28.3	21.1	2.7	36.3	(22.6)	32.1	52.1	65.5	35.7
Total, excluding flow through to policyholders	191.0	177.0	178.7	186.0	97.4	171.0	171.0	171.4	162.7	546.7	439.4	625.4	661.2
Premiums and deposits by line of business													
Premiums													
Individual Insurance	208.5	209.3	203.8	203.6	183.8	192.6	188.7	222.2	182.4	621.6	565.1	768.7	763.1
Individual Wealth Management	224.3	294.8	454.2	251.2	229.4	217.4	349.6	197.5	184.2	973.3	796.4	1,047.6	906.8
Group Insurance	198.3	187.6	173.5	171.1	183.4	179.7	160.7	163.3	162.7	559.4	523.8	694.9	637.9
Group Pensions	111.6	288.9	221.6	129.1	167.4	137.4	130.9	128.7	107.8	622.1	435.7	564.8	461.1
General Insurance	27.4	26.3	25.0	24.7	24.6	23.4	22.4	22.6	22.0	78.7	70.4	95.1	83.5
Total	770.1	1,006.9	1,078.1	779.7	788.6	750.5	852.3	734.3	659.1	2,855.1	2,391.4	3,171.1	2,852.4
Deposits													
Individual Wealth Management - Mutual funds	228.7	301.6	402.6	92.8	87.3	86.9	145.6	---	---	932.9	319.8	412.6	---
Total	998.8	1,308.5	1,480.7	872.5	875.9	837.4	997.9	734.3	659.1	3,788.0	2,711.2	3,583.7	2,852.4
Individual Insurance													
Sales ⁴	37.2	41.5	34.3	38.8	35.3	36.2	31.0	39.6	35.6	113.0	102.5	141.3	139.9
Premiums ¹	208.5	209.3	203.8	203.6	183.8	192.6	188.7	222.2	182.4	621.6	565.1	768.7	763.1
Individual Wealth Management													
Sales⁵													
General fund	65.9	68.9	84.3	64.3	49.5	54.2	74.5	53.1	54.4	219.1	178.2	242.4	237.5
Segregated funds	158.4	225.9	369.9	187.0	179.9	163.2	275.1	144.4	129.8	754.2	618.2	805.2	669.3
Mutual funds	228.7	301.6	402.6	92.8	87.3	86.9	145.6	---	---	932.9	319.8	412.6	---
Total	453.0	596.4	856.8	344.1	316.7	304.3	495.2	197.5	184.2	1,906.2	1,116.2	1,460.2	906.8
Net investment fund sales													
Segregated funds	79.8	107.3	306.3	141.7	125.6	81.2	198.9	52.0	51.2	493.4	405.7	547.4	332.7
Mutual funds	35.8	66.0	97.9	26.9	25.5	28.6	67.7	---	---	199.7	121.8	148.7	---
Total	115.6	173.3	404.2	168.6	151.1	109.8	266.6	52.0	51.2	693.1	527.5	696.1	332.7
Funds under management													
General fund	1,645.5	1,649.9	1,661.3	1,695.5	1,713.3	1,724.1	1,745.9	1,770.9	1,791.5	1,645.5	1,713.3	1,695.5	1,770.9
Segregated funds	5,556.2	5,303.3	5,338.1	4,851.2	4,642.9	4,343.5	4,155.5	3,871.6	3,637.8	5,556.2	4,642.9	4,851.2	3,871.6
Mutual funds	5,957.5	5,832.7	5,985.3	5,659.8	1,209.7	1,149.9	1,113.8	1,018.5	96.3	5,957.5	1,209.7	5,659.8	1,018.5
Total	13,159.2	12,785.9	12,984.7	12,206.5	7,565.9	7,217.5	7,015.2	6,661.0	5,525.6	13,159.2	7,565.9	12,206.5	6,661.0

For comparison purposes, certain previous data have been reclassified.

¹ The Q4-2004 premiums include \$30.6 related to the recapture of a block of reinsurance in December 2004.

² Further to securities regulations and GAAP that apply when issuing a take-over bid circular, the third quarter 2005 data were restated to consider an additional \$64.9 provision (\$43.4 after tax) related to the investment in Norshield. This provision was made subsequent to the end of the quarter, but applied to the third quarter, and brings the Company's total provision in Norshield to \$77.9 (\$52.1 after tax), its entire investment in Norshield.

³ Portion of the net investment income attributable to Universal Life (UL) policy index accounts. Variations in this income do not impact the Company's profit.

⁴ Individual Insurance sales (new business) are defined as follows: first-year annualized premiums.

⁵ Individual Wealth Management sales (new business) are defined as follows: premiums for the general fund and for the segregated funds, and deposits for the mutual funds.

BUSINESS GROWTH (continued)

	2006			2005				2004		2006	2005	2005	2004
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	YTD	YTD	Annual	Annual
<i>(in millions of dollars, unless otherwise indicated)</i>													
Group Insurance													
Sales ¹													
Employee plans	21.3	18.1	15.9	14.9	9.7	13.8	13.9	8.0	14.9	55.3	37.4	52.3	55.7
Creditor insurance	53.7	49.4	33.1	36.8	49.9	44.0	28.1	32.4	37.5	136.2	122.0	158.8	132.6
Special Markets Group (SMG)	22.3	20.7	20.9	24.5	20.8	20.7	21.4	23.2	18.6	63.9	62.9	87.4	79.7
Premiums and premium equivalents													
Employee plans	129.9	123.8	127.0	116.4	119.9	121.3	117.8	113.1	112.2	380.7	359.0	475.4	448.4
Creditor insurance	46.1	43.1	25.6	30.2	42.7	37.7	21.5	27.0	31.9	114.8	101.9	132.1	109.8
Special Markets Group (SMG)	22.3	20.7	20.9	24.5	20.8	20.7	21.4	23.2	18.6	63.9	62.9	87.4	79.7
Total premiums	198.3	187.6	173.5	171.1	183.4	179.7	160.7	163.3	162.7	559.4	523.8	694.9	637.9
Premium equivalents	29.5	33.0	29.3	27.0	24.8	27.2	23.9	24.7	23.5	91.8	75.9	102.9	96.1
Total	227.8	220.6	202.8	198.1	208.2	206.9	184.6	187.9	186.2	651.2	599.7	797.8	734.0
Group Pensions													
Sales ²													
Accumulation contracts													
General fund	7.0	14.1	5.9	8.6	3.4	6.9	6.9	10.8	7.4	27.0	17.2	25.7	49.1
Segregated funds	91.2	228.6	162.3	103.4	91.6	104.8	85.0	95.3	74.2	482.1	281.4	384.8	312.2
Total	98.2	242.7	168.2	112.0	95.0	111.7	91.9	106.1	81.6	509.1	298.6	410.5	361.3
Insured annuities (general fund)													
	13.4	46.2	53.4	17.2	72.4	25.7	39.0	22.6	26.2	113.0	137.1	154.3	99.8
Total	111.6	288.9	221.6	129.2	167.4	137.4	130.9	128.7	107.8	622.1	435.7	564.8	461.1
Funds under management													
Accumulation contracts													
General fund	147.8	148.4	142.5	150.4	149.5	152.0	152.3	158.8	159.6	147.8	149.5	150.4	158.8
Segregated funds	2,829.1	2,666.6	2,565.9	2,402.9	2,294.1	2,160.6	2,028.7	1,927.8	1,782.3	2,829.1	2,294.1	2,402.9	1,927.8
Other	38.1	35.6	35.4	34.7	34.3	34.4	34.5	33.3	34.9	38.1	34.3	34.7	33.3
Total	3,015.0	2,850.6	2,743.8	2,588.0	2,477.9	2,347.0	2,215.5	2,119.9	1,976.8	3,015.0	2,477.9	2,588.0	2,119.9
Insured annuities (general fund)													
	2,084.9	2,089.4	2,062.6	2,026.2	2,022.9	1,962.5	1,957.4	1,936.4	1,930.4	2,084.9	2,022.9	2,026.2	1,936.4
Total	5,099.9	4,940.0	4,806.4	4,614.2	4,500.8	4,309.5	4,172.9	4,056.3	3,907.2	5,099.9	4,500.8	4,614.2	4,056.3
Distribution of premiums by region													
Atlantic provinces	4.1%	4.1%	4.5%	4.1%	4.1%	4.3%	4.6%	3.6%	3.4%	4.1%	4.1%	4.1%	3.6%
Quebec	45.4%	44.0%	48.1%	48.2%	48.1%	49.0%	50.4%	50.1%	50.7%	45.4%	48.1%	48.2%	50.1%
Ontario	31.1%	33.2%	28.9%	27.1%	27.8%	26.8%	26.5%	25.0%	24.8%	31.1%	27.8%	27.1%	25.0%
Western provinces	17.6%	17.0%	16.9%	18.5%	17.9%	17.7%	16.8%	18.6%	18.4%	17.6%	17.9%	18.5%	18.6%
Outside Canada	1.8%	1.7%	1.6%	2.1%	2.1%	2.2%	1.7%	2.7%	2.7%	1.8%	2.1%	2.1%	2.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Assets under management/administration (restated³)													
Assets under management													
General fund	12,669.1	12,365.9	12,243.1	11,972.9	11,592.7	11,376.5	11,221.1	11,030.8	10,861.9	12,669.1	11,592.7	11,972.9	11,030.8
Segregated funds	8,456.9	8,060.6	7,999.4	7,348.8	7,027.0	6,579.8	6,260.0	5,913.6	5,549.2	8,456.9	7,027.0	7,348.8	5,913.6
Mutual funds	5,971.2	5,846.3	5,997.9	5,672.7	1,220.8	1,160.6	1,113.8	1,018.5	96.3	5,971.2	1,220.8	5,672.7	1,018.5
Other	592.9	720.5	759.3	785.9	783.1	706.6	711.3	872.0	---	592.9	783.1	785.9	872.0
Total	27,690.1	26,993.3	26,999.7	25,780.3	20,623.6	19,823.5	19,306.2	18,834.9	16,507.4	27,690.1	20,623.6	25,780.3	18,834.9
Assets under administration													
	16,595.9	12,689.5	13,066.4	12,390.9	11,696.1	11,003.4	10,247.0	9,641.1	9,025.6	16,595.9	11,696.1	12,390.9	9,641.1
Total	44,286.0	39,682.8	40,066.1	38,171.2	32,319.7	30,826.9	29,553.2	28,476.0	25,533.0	44,286.0	32,319.7	38,171.2	28,476.0

For comparison purposes, certain previous data have been reclassified.

¹ Group Insurance sales (new business) are defined as follows: first-year annualized premiums for Employee plans, including premium equivalents (administrative services only contracts); gross premiums (premiums before reinsurance) for Creditor Insurance; and premiums for Special Markets Group.

² Group Pensions sales (new business) are defined as follows: premiums.

³ Further to securities regulations and GAAP that apply when issuing a take-over bid circular, the third quarter 2005 data were restated to consider an additional \$64.9 provision (\$43.4 after tax) related to the investment in Norshield. This provision was made subsequent to the end of the quarter, but applied to the third quarter, and brings the Company's total provision in Norshield to \$77.9 (\$52.1 after tax), its entire investment in Norshield.

INVESTED ASSETS

	2006			2005			2004		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<i>(in millions of dollars, unless otherwise indicated)</i>									
Value and distribution of investments (restated¹)									
Book value of investments	11,821.1	11,570.6	11,460.8	11,226.9	11,103.1	10,885.3	10,748.3	10,589.6	10,404.8
Market value of investments	13,308.6	12,568.2	12,976.0	12,809.6	12,622.7	12,443.2	11,884.6	11,720.6	11,279.4
Market value to book value ratio as a percent	112.6%	108.6%	113.2%	114.1%	113.7%	114.3%	110.6%	110.7%	108.4%
Distribution of investments by asset category									
Bonds	60.0%	59.4%	58.8%	58.9%	60.0%	58.3%	57.7%	57.3%	57.2%
Mortgages	20.6%	21.2%	21.1%	21.6%	22.1%	22.7%	23.1%	23.5%	24.0%
Stocks	10.8%	10.8%	11.3%	10.4%	9.9%	10.5%	10.4%	10.2%	9.8%
Real estate	3.8%	3.9%	3.9%	4.0%	4.0%	4.1%	4.1%	4.2%	4.3%
Other	4.8%	4.7%	4.9%	5.1%	3.9%	4.4%	4.9%	4.7%	4.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Distribution of investments by region									
Atlantic provinces	4.1%	4.2%	4.5%	4.8%	4.6%	4.7%	4.9%	5.1%	5.2%
Quebec	49.8%	49.3%	48.7%	49.5%	50.2%	49.7%	49.8%	49.6%	49.6%
Ontario	20.1%	20.2%	20.8%	20.3%	20.1%	20.8%	20.6%	20.7%	20.5%
Western provinces	16.1%	16.6%	16.9%	16.9%	16.9%	17.1%	17.0%	17.3%	17.6%
Outside Canada	9.9%	9.7%	9.1%	8.5%	8.2%	7.7%	7.7%	7.3%	7.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Impaired investments and provisions (restated¹)									
Gross impaired investments (excluding insured loans)	95.3	96.4	97.0	96.8	96.4	18.6	22.3	47.6	48.5
Net impaired investments (excluding insured loans)									
Bonds	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Mortgages	0.5	0.0	0.6	0.5	0.1	0.2	3.9	1.4	2.0
Real estate acquired to settle loans	6.4	5.9	5.9	5.9	6.0	5.9	5.9	5.9	6.0
Other	---	---	---	---	---	---	---	---	---
Total	8.1	7.1	7.7	7.6	7.3	7.3	11.0	8.5	9.2
Provisions for losses									
At beginning of period	89.3	89.3	89.2	89.1	11.3	11.3	39.1	39.3	40.1
Increase for the period	0.1	0.0	0.1	0.1	78.0	0.0	0.1	0.0	0.0
Decrease for the period	(2.2)	0.0	0.0	0.0	(0.2)	0.0	(27.9)	(0.2)	(0.8)
At end of period	87.2	89.3	89.3	89.2	89.1	11.3	11.3	39.1	39.3
Provisions for losses by type of investment									
Bonds	4.7	4.6	4.6	4.6	4.5	4.6	4.6	32.4	32.4
Mortgages	0.8	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.2
Real estate acquired to settle loans	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7
Other	78.0	78.0	78.0	77.9	77.9	0.0	0.0	0.0	0.0
Total	87.2	89.3	89.3	89.2	89.1	11.3	11.3	39.1	39.3
Net impaired investments as a % of total investments	0.07%	0.06%	0.07%	0.07%	0.07%	0.07%	0.10%	0.08%	0.09%
Provisions as a % of gross impaired investments	91.4%	92.7%	92.0%	92.1%	92.4%	60.7%	50.6%	82.0%	81.0%

For comparison purposes, certain previous data have been reclassified.

¹ Further to securities regulations and GAAP that apply when issuing a take-over bid circular, the third quarter 2005 data were restated to consider an additional \$64.9 provision (\$43.4 after tax) related to the investment in Norshield. This provision was made subsequent to the end of the quarter, but applied to the third quarter, and brings the Company's total provision in Norshield to \$77.9 (\$52.1 after tax), its entire investment in Norshield.

INVESTED ASSETS (continued)

	2006			2005				2004	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<i>(in millions of dollars, unless otherwise indicated)</i>									
Bonds									
Book value of the bond portfolio	7,097.7	6,872.0	6,738.2	6,619.6	6,659.9	6,344.4	6,188.1	6,074.5	5,953.3
Market value of the bond portfolio	8,388.3	7,706.2	8,028.1	7,997.0	7,979.1	7,706.0	7,173.0	7,046.8	6,714.1
Market value to book value ratio as a percent	118.2%	112.1%	119.1%	120.8%	119.8%	121.5%	115.9%	116.0%	112.8%
Distribution by credit rating									
Rating - AAA	14.1%	13.0%	12.6%	12.3%	11.3%	9.5%	9.3%	9.8%	9.0%
Rating - AA	16.6%	17.5%	16.8%	16.3%	16.8%	17.3%	17.2%	17.1%	17.4%
Rating - A	63.3%	63.7%	63.4%	63.7%	64.5%	65.6%	65.9%	65.7%	66.2%
Rating - BBB	5.7%	5.5%	6.9%	7.3%	7.2%	7.4%	7.4%	7.2%	7.3%
Rating - BB and lower	0.3%	0.3%	0.3%	0.4%	0.2%	0.2%	0.2%	0.2%	0.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Distribution by category of issuer									
Governments	57.8%	57.8%	59.4%	60.4%	63.6%	65.1%	65.8%	64.5%	64.9%
Municipalities	1.6%	1.5%	1.5%	1.6%	1.8%	1.8%	1.9%	1.7%	1.8%
Corporates - Public issues	26.7%	26.5%	25.3%	25.1%	23.0%	21.7%	20.5%	22.4%	21.5%
Corporates - Private issues	13.9%	14.2%	13.8%	12.9%	11.6%	11.4%	11.8%	11.4%	11.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Other quality measures									
Delinquency rate	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%
Mortgages									
Book value of the mortgage portfolio	2,432.8	2,447.7	2,423.6	2,420.8	2,457.5	2,476.0	2,478.2	2,491.8	2,501.4
Market value of the mortgage portfolio	2,458.6	2,446.3	2,460.1	2,469.8	2,526.1	2,565.4	2,534.0	2,562.7	2,563.9
Market value to book value ratio as a percent	101.1%	99.9%	101.5%	102.0%	102.8%	103.6%	102.3%	102.8%	102.5%
Mortgages by type of property									
Residential	20.2%	18.5%	16.7%	16.3%	16.1%	16.1%	16.1%	16.4%	16.5%
Multi-residential	59.2%	59.5%	59.8%	58.9%	58.7%	60.6%	60.1%	59.5%	58.5%
Non-residential	20.6%	22.0%	23.5%	24.8%	25.2%	23.3%	23.8%	24.1%	25.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Mortgages by type of loan									
Insured	56.9%	56.2%	56.1%	55.6%	53.7%	53.3%	53.4%	52.8%	50.2%
Conventional	43.1%	43.8%	43.9%	44.4%	46.3%	46.7%	46.6%	47.2%	49.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

INVESTED ASSETS (continued)	2006			2005			2004		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<i>(in millions of dollars, unless otherwise indicated)</i>									
Mortgages (continued)									
Other quality measures									
Delinquency rate									
Insured loans	0.49%	0.47%	0.53%	0.50%	0.52%	0.51%	0.52%	0.50%	0.57%
Conventional loans	0.05%	0.00%	0.06%	0.05%	0.01%	0.01%	0.33%	0.13%	0.17%
Total	0.30%	0.26%	0.32%	0.30%	0.28%	0.28%	0.43%	0.32%	0.37%
Proportion of delinquent loans that are insured	93.1%	100.0%	91.9%	93.0%	98.6%	97.8%	64.3%	81.0%	76.7%
Delinquency rate, including real estate acquired to settle loans	0.71%	0.65%	0.71%	0.69%	0.67%	0.66%	0.82%	0.70%	0.75%
Proportion of conventional restructured loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Stocks (restated ¹)									
Book value of the stock portfolio	1,272.6	1,252.9	1,294.4	1,162.4	1,101.9	1,143.3	1,114.6	1,081.1	1,017.0
Market value of the stock portfolio	1,378.4	1,350.1	1,416.4	1,255.1	1,194.3	1,206.5	1,168.6	1,130.5	1,049.0
Market value to book value ratio as a percent	108.3%	107.8%	109.4%	108.0%	108.4%	105.5%	104.8%	104.6%	103.1%
Distribution of stocks by category									
Common	5.5%	4.7%	4.4%	4.9%	4.0%	3.7%	3.7%	4.1%	4.1%
Preferred	12.2%	12.2%	11.7%	12.8%	15.8%	18.3%	21.4%	21.6%	23.5%
Market indices	22.3%	22.4%	21.5%	18.2%	13.3%	12.6%	12.8%	12.0%	10.3%
Investment fund units	60.0%	60.7%	62.4%	64.1%	66.9%	65.4%	62.1%	62.3%	62.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Real estate									
Book value of the real estate portfolio	449.9	447.6	446.0	446.3	447.1	446.2	445.4	444.5	444.6
Market value of the real estate portfolio	515.3	515.3	513.0	509.9	486.6	486.5	486.5	482.9	463.9
Market value to book value ratio as a percent	114.5%	115.1%	115.0%	114.2%	108.8%	109.0%	109.2%	108.6%	104.3%
Occupancy rate	95.2%	97.7%	96.8%	96.8%	96.1%	96.3%	95.8%	95.2%	96.9%
Other									
Unrealized and unamortized gains on surplus accounts	76.8	68.9	100.1	105.0	95.6	95.6	69.6	68.5	53.8

¹ Further to securities regulations and GAAP that apply when issuing a take-over bid circular, the third quarter 2005 data were restated to consider an additional \$64.9 provision (\$43.4 after tax) related to the investment in Norshield. This provision was made subsequent to the end of the quarter, but applied to the third quarter, and brings the Company's total provision in Norshield to \$77.9 (\$52.1 after tax), its entire investment in Norshield.

CAPITALIZATION

	2006			2005				2004	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<i>(in millions of dollars, unless otherwise indicated)</i>									
Solvency ratio									
Available capital									
Tier 1									
Common shares	505.8	505.4	513.9	510.6	462.1	461.8	459.1	458.1	457.4
Preferred shares	125.0	125.0	125.0	---	---	---	---	---	---
Innovative instruments in Tier 1 capital	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0
Retained earnings (restated ^{1,2})	927.6	885.7	869.6	845.4	809.8	821.2	786.7	751.7	726.1
Other (restated ²)	39.8	39.4	38.9	38.5	37.6	41.5	39.8	39.9	40.7
Gross Tier 1 capital	1,748.2	1,705.5	1,697.4	1,544.5	1,459.5	1,474.5	1,435.6	1,399.7	1,374.2
Less:									
Goodwill and other intangible assets	364.8	356.3	354.9	354.2	126.5	126.5	124.7	125.7	61.4
Adjustment for negative reserves	0.0	0.0	0.0	0.0	6.3	12.4	18.5	24.9	220.1
Other	3.4	3.2	3.0	2.8	2.7	3.1	3.0	2.9	2.8
Net Tier 1 capital	1,380.0	1,346.0	1,339.5	1,187.5	1,324.0	1,332.5	1,289.4	1,246.2	1,089.9
Tier 2									
Limited life instruments allowed (subordinated debt) (Tier 2B) ³	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0
Other (Tier 2C)	23.6	9.8	21.0	27.7	31.2	30.2	22.3	24.3	204.6
Total Tier 2 capital allowed	173.6	159.8	171.0	177.7	181.2	180.2	172.3	174.3	354.6
Total Tier 1 and Tier 2 capital	1,553.6	1,505.8	1,510.5	1,365.2	1,505.2	1,512.7	1,461.7	1,420.5	1,444.5
Less deductions and adjustments (total of Tier 1 and Tier 2)	47.5	42.4	43.0	42.8	34.0	32.2	31.2	38.2	30.7
Total available capital	1,506.1	1,463.4	1,467.5	1,322.4	1,471.2	1,480.5	1,430.5	1,382.3	1,413.8
Required capital									
Asset default risk and market risk (restated ¹)	240.0	238.0	239.6	224.9	216.0	216.1	208.7	201.4	202.5
Insurance risks	384.1	378.8	372.4	366.5	360.5	342.0	325.3	314.4	310.6
Interest rate risks	121.9	118.8	116.1	113.1	118.6	115.0	110.8	108.2	104.1
Total of required capital	746.0	735.6	728.1	704.5	695.1	673.1	644.8	624.0	617.2
Solvency ratio (MCCSR) (restated ¹)	202 %	199 %	202 %	188 %	212 %	220 %	222 %	222 %	229 %

¹ Further to securities regulations and GAAP that apply when issuing a take-over bid circular, the third quarter 2005 data were restated to consider an additional \$64.9 provision (\$43.4 after tax) related to the investment in Norshield. This provision was made subsequent to the end of the quarter, but applied to the third quarter, and brings the Company's total provision in Norshield to \$77.9 (\$52.1 after tax), its entire investment in Norshield.

² The data for the third quarter of 2004 were restated after the Company realized that the amount that could be transferred from the Participating Policyholders' Account to the Retained Earnings, pursuant to the *Insurance Companies Act*, had been understated, each year since 1981, following the incorrect application of the calculation method.

³ Debenture: linear amortization over the five-year period preceding the maturity of the debentures.

CAPITALIZATION (continued)

(in millions of dollars, unless otherwise indicated)	2006			2005				2004	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Capital structure									
Subordinated debentures ¹	310.1	310.1	310.1	373.0	310.1	310.1	310.1	150.0	150.0
Other debt (IATS) ^{1,2}	---	---	---	---	---	---	---	150.0	150.0
Participating policyholders' account (restated ³)	22.0	20.9	20.0	19.7	19.0	18.7	18.2	17.3	14.5
Equity									
Common shares	505.8	505.4	513.9	510.6	462.1	461.8	459.1	458.1	457.4
Preferred shares	125.0	125.0	125.0	---	---	---	---	---	---
Contributed surplus	14.1	13.3	12.5	12.3	11.5	10.6	10.1	9.5	8.8
Retained earnings (restated ^{3,4})	927.6	885.7	869.6	845.4	809.8	821.2	786.7	751.7	726.1
Currency translation account	(7.1)	(7.1)	(7.1)	(7.1)	(5.8)	(5.8)	(5.8)	(5.8)	(2.5)
Total	1,565.4	1,522.3	1,513.9	1,361.2	1,277.6	1,287.8	1,250.1	1,213.5	1,189.8
Total capital structure	1,897.5	1,853.3	1,844.0	1,753.9	1,606.7	1,616.6	1,578.4	1,530.8	1,504.3
Debt measures									
Debt to capital ratio ⁵ (restated ⁴)	16.3%	16.7%	16.8%	21.3%	19.3%	19.2%	19.6%	19.6%	19.9%
Coverage ratio (in number of times) ⁶ (restated ⁴)	12.5	9.9	10.8	11.0	10.5	13.9	13.7	13.4	10.2
Credit ratings									
	Standard & Poor's			DBRS			A.M. Best		
Financial Solidity	A+/Stable			IC-2/Stable			A (Excellent)/Stable		
Subordinated Debentures	A			A			a -		
Innovative Tier 1 Capital	A-			A (Low)n			bbb+		
Preferred Shares	A-			Pfd-2 (high)n			bbb+		

¹ Further to the application of AcG 15, the Company ceased to consolidate the Industrial Alliance Capital Trust securities in the first quarter of 2005. Following this change, the \$150.0 in IATS as well as a \$10.1 Trust financing debenture were reclassified as subordinated debentures in Industrial Alliance's capital structure.

² IATS: trust units issued by Industrial Alliance Capital Trust.

³ The data for the third quarter of 2004 were restated after the Company realized that the amount that could be transferred from the Participating Policyholders' Account to the Retained Earnings, pursuant to the *Insurance Companies Act*, had been understated, each year since 1981, following the incorrect application of the calculation method.

⁴ Further to securities regulations and GAAP that apply when issuing a take-over bid circular, the third quarter 2005 data were restated to consider an additional \$64.9 provision (\$43.4 after tax) related to the investment in Norshield. This provision was made subsequent to the end of the quarter, but applied to the third quarter, and brings the Company's total provision in Norshield to \$77.9 (\$52.1 after tax), its entire investment in Norshield.

⁵ The debt to capital ratio, which is expressed as a percentage, is obtained by dividing the subordinated debentures and the Other debt (IATS) by the capital structure.

⁶ The coverage ratio, which is expressed as a number of times, is obtained by dividing pre-tax income, for the last twelve months, before financing expenses, by financing expenses.

EMBEDDED VALUE

	Twelve months ended December 31, 2005 ¹			Twelve months ended December 31, 2004			Twelve months ended December 31, 2003		
	Embedded value	Contribution to growth	Embedded value per share	Embedded value	Contribution to growth	Embedded value per share ²	Embedded value	Contribution to growth	Embedded value per share ²
<i>(in millions of dollars, unless otherwise indicated)</i>									
Embedded value									
Total value	2,133	---	---	2,138	---	---	1,899	---	---
Value per common share (in dollars) ³	---	---	\$26.78	---	---	\$26.90	---	---	\$24.17
Embedded value/book value ratio (in number of times)	1.63	---	---	1.76	---	---	1.88	---	---
Embedded value added									
Preferred shares conversion (April 2003 and April 2004) ⁴	---	---	---	19	1.0%	\$(0.04)	56	3.4%	\$(0.23)
Transfer from the Participating Policyholders' Account	---	---	---	26	1.4%	\$0.33	---	---	---
Recurring items									
Expected increase in embedded value	154	7.2%	\$1.93	143	7.5%	\$1.77	130	7.9%	\$1.66
New sales	80	3.7%	\$1.01	64	3.4%	\$0.80	53	3.2%	\$0.67
Total	234	10.9%	\$2.94	207	10.9%	\$2.57	183	11.1%	\$2.33
Non-recurring items									
Experience gains or losses									
Related to equity markets	37	1.7%	\$0.46	18	0.9%	\$0.23	45	2.7%	\$0.58
Other	(1)	---	\$(0.01)	8	0.4%	\$0.10	(9)	(0.5%)	\$(0.12)
Changes in assumptions	(58)	(2.7%)	\$(0.74)	(10)	(0.6%)	\$(0.13)	8	0.5%	\$0.11
Integration of National Life	---	---	---	37	2.0%	\$0.46	---	---	---
Acquisition of BLCER ⁵	---	---	---	(33)	(1.7%)	\$(0.41)	---	---	---
Acquisition of Clarington	(125)	(5.8%)	\$(1.60)	---	---	---	---	---	---
Provision for Norshield	(52)	(2.4%)	\$(0.67)	---	---	---	---	---	---
Total	(199)	(9.2%)	\$(2.56)	20	1.0%	\$0.25	44	2.7%	\$0.57
Total	35	1.7%	\$0.38	272	14.3%	\$3.11	283	17.2%	\$2.67
Shareholders' dividend	(40)	(1.9%)	\$(0.50)	(33)	(1.7%)	\$(0.41)	(27)	(1.6%)	\$(0.35)
Dilution for April 2004 preferred share conversion	---	---	---	---	---	---	---	---	\$(0.04)
Total of the embedded value added	(5)	(0.2%)	\$(0.12)	239	12.6%	\$2.70	256	15.6%	\$2.28

Embedded value by component

Shareholders' equity			
Book value	1,309	1,214	1,018
Market value adjustment	39	39	39
Goodwill	(354)	(126)	(57)
Total	994	1,127	1,000
Present value of future operating profits	1,520	1,327	1,165
Present value of capital cost	(381)	(316)	(266)
Embedded value	2,133	2,138	1,899

¹ Assuming that the buy-back of shares issued for the Clarington acquisition took place on December 31, 2005.

² For comparison purposes, the data for 2003 and 2004 have been recalculated to reflect the two-for-one split of the Company's common shares effective on May 18, 2005.

³ The transfer from the Participating Policyholders' Account to the Retained Earnings increases the embedded value per share by \$0.33 as at December 31, 2003, to \$24.50.

⁴ The conversion of preferred shares in April 2004 was reflected in the embedded value per share as at December 31, 2003.

⁵ BLC-Edmond de Rothschild Asset Management Inc.

EMBEDDED VALUE (continued)

	Twelve months ended December 31, 2005	Twelve months ended December 31, 2004	Twelve months ended December 31, 2003
Principal assumptions			
Discount rate	7.3%	8.0%	8.5%
Risk premium	3.0%	3.0%	3.0%
Inflation rate	1.5%	2.0%	2.0%
Sensitivity analysis			
Impact on embedded value			
Risk premium: +1%	(9%)	(7%)	(7%)
Risk premium: -1%	11%	8%	6%
MCCSR: from 150% to 175%	(4%)	(4%)	(4%)
Tax rate: -1%	1%	1%	1%
Mortality improvement: if none	(7%)	(5%)	(5%)
Economic assumptions: +1%	6%	4%	3%

	2006			2005				2004		2006	2005	2005	2004
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	YTD	YTD	Annual	Annual
<i>(in millions of dollars, unless otherwise indicated)</i>													
Embedded value of new sales													
Total value	19.4	22.2	28.9	19.1	19.4	18.1	23.6	16.1	15.6	70.5	61.1	80.2	63.8
Value per common share (in dollars) ¹	\$0.24	\$0.27	\$0.35	\$0.24	\$0.24	\$0.23	\$0.30	\$0.21	\$0.20	\$0.86	\$0.77	\$1.01	\$0.80

¹ For comparison purposes, the data for 2004 and the first quarter of 2005 have been recalculated to reflect the two-for-one split of the Company's common shares effective on May 18, 2005.

MARKET DATA¹

<i>(in millions of dollars, unless otherwise indicated)</i>	2006			2005				2004		2006	2005	2005	2004
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	YTD	YTD	Annual	Annual
Number of common shares outstanding (in millions)	79.8	79.8	81.2	81.4	79.7	79.6	79.5	79.5	79.5	79.8	79.7	81.4	79.5
Share price at the end of the period (in dollars)	\$31.91	\$31.92	\$32.05	\$29.07	\$29.13	\$28.27	\$28.00	\$27.50	\$24.20	\$31.91	\$29.13	\$29.07	\$27.50
Average share price (in dollars)	\$32.63	\$31.96	\$31.03	\$28.52	\$28.83	\$28.20	\$28.35	\$25.76	\$23.86	\$31.73	\$28.27	\$28.49	\$23.44
Market capitalization	2,546.4	2,547.2	2,602.5	2,366.3	2,321.7	2,250.3	2,227.1	2,185.6	1,923.2	2,546.4	2,321.7	2,366.3	2,185.6
Book value per outstanding common share (restated ^{2,3}) (in dollars)	\$18.05	\$17.51	\$17.10	\$16.72	\$16.03	\$16.18	\$15.72	\$15.27	\$14.97	\$18.05	\$16.03	\$16.72	\$15.27
Dividend per common share (in dollars)	\$0.160	\$0.140	\$0.140	\$0.140	\$0.125	\$0.125	\$0.110	\$0.110	\$0.110	\$0.440	\$0.360	\$0.500	\$0.410

OTHER INFORMATION

<i>(in millions of dollars, unless otherwise indicated)</i>	2006			2005				2004		2006	2005	2005	2004
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	YTD	YTD	Annual	Annual
General expenses													
General expenses	74.5	79.4	78.8	66.2	65.2	72.3	69.4	66.7	62.1	232.7	206.9	273.1	257.8
General expenses as a % of total revenues (restated ²)	7.06%	6.60%	5.77%	6.48%	6.82%	7.34%	6.52%	6.82%	7.43%	6.42%	6.85%	6.78%	7.01%
Human resources													
Number of employees													
Life insurance companies	2,184	2,180	2,142	2,115	2,131	2,137	2,116	2,159	2,171	2,184	2,131	2,115	2,159
General insurance company	378	391	379	367	380	385	380	346	359	378	380	367	346
Other	246	241	257	264	140	133	129	121	56	246	140	264	121
Total	<u>2,808</u>	<u>2,812</u>	<u>2,778</u>	<u>2,746</u>	<u>2,651</u>	<u>2,655</u>	<u>2,625</u>	<u>2,626</u>	<u>2,586</u>	<u>2,808</u>	<u>2,651</u>	<u>2,746</u>	<u>2,626</u>
Number of Career representatives	1,473	1,450	1,415	1,445	1,407	1,397	1,386	1,379	1,307	1,473	1,407	1,445	1,379
Other													
Gross life insurance in-force (in billions of dollars)	169.1	165.5	162.3	160.2	157.1	152.2	150.2	149.3	145.9	169.1	157.1	160.2	149.3

¹ For comparison purposes, the market data for 2004 and the first quarter of 2005 have been recalculated to reflect the two-for-one split of the Company's common shares effective on May 18, 2005.

² Further to securities regulations and GAAP that apply when issuing a take-over bid circular, the third quarter 2005 data were restated to consider an additional \$64.9 provision (\$43.4 after tax) related to the investment in Norshield. This provision was made subsequent to the end of the quarter, but applied to the third quarter, and brings the Company's total provision in Norshield to \$77.9 (\$52.1 after tax), its entire investment in Norshield.

³ The data for the third quarter of 2004 were restated after the Company realized that the amount that could be transferred from the Participating Policyholders' Account to the Retained Earnings, pursuant to the *Insurance Companies Act*, had been understated, each year since 1981, following the incorrect application of the calculation method.

CONSOLIDATED FINANCIAL STATEMENTS

INCOME STATEMENTS

	2006			2005				2004		2006	2005	2005	2004
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	YTD	YTD	Annual	Annual
<i>(in millions of dollars, unless otherwise indicated)</i>													
Revenues													
Premiums	770.1	1,006.9	1,078.1	779.7	788.6	750.5	852.3	734.3	659.1	2,855.1	2,391.4	3,171.1	2,852.4
Net investment income (restated ¹)	222.1	133.1	223.6	199.4	125.7	192.1	173.7	207.7	140.1	578.8	491.5	690.9	696.9
Fees and other revenues	62.8	62.7	63.5	43.2	42.3	42.8	39.1	35.8	32.2	189.0	124.2	167.4	128.9
Total	1,055.0	1,202.7	1,365.2	1,022.3	956.6	985.4	1,065.1	977.8	831.4	3,622.9	3,007.1	4,029.4	3,678.2
Policy benefits and expenses													
Change in provisions for future policy benefits	180.8	120.0	156.5	143.9	178.2	115.9	106.8	183.2	97.9	457.3	400.9	544.8	517.4
Payments to policyholders and beneficiaries	364.0	386.6	430.9	351.7	359.7	347.7	352.6	313.2	315.0	1,181.5	1,060.0	1,411.7	1,277.9
Net transfer to segregated funds	226.4	419.8	488.0	261.5	231.1	259.5	364.0	229.0	183.4	1,134.2	854.6	1,116.1	929.7
Dividends, experience refunds and interest on amounts on deposit	8.2	3.8	16.2	9.9	6.0	15.2	1.3	12.7	8.3	28.2	22.5	32.4	44.9
Commissions	103.1	111.0	103.6	101.2	103.2	93.4	90.8	96.5	86.5	317.7	287.4	388.6	350.6
Premium and other taxes	14.0	14.2	13.4	13.2	13.5	12.3	12.7	12.2	11.3	41.6	38.5	51.7	46.8
General expenses	74.5	79.4	78.8	66.2	65.2	72.3	69.4	66.7	62.1	232.7	206.9	273.1	257.8
Net financing expenses	4.3	4.3	5.0	4.3	4.2	4.3	4.2	4.0	4.2	13.6	12.7	17.0	16.3
Minority interest	---	---	---	---	---	---	---	0.1	(0.1)	---	---	---	(0.1)
Total	975.3	1,139.1	1,292.4	951.9	961.1	920.6	1,001.8	917.6	768.6	3,406.8	2,883.5	3,835.4	3,441.3
Income (loss) before income taxes	79.7	63.6	72.8	70.4	(4.5)	64.8	63.3	60.2	62.8	216.1	123.6	194.0	236.9
Income taxes (restated ¹)	(22.5)	2.4	(23.7)	(23.0)	3.4	(19.8)	(20.0)	(23.1)	(19.1)	(43.8)	(36.4)	(59.4)	(77.7)
Net income (loss)	57.2	66.0	49.1	47.4	(1.1)	45.0	43.3	37.1	43.7	172.3	87.2	134.6	159.2
Net income attributable to policyholders (restated ²)	1.1	0.9	0.3	0.7	0.3	0.5	0.9	2.8	0.4	2.3	1.7	2.4	4.1
Net income (loss) attributable to shareholders (restated ^{1,2})	56.1	65.1	48.8	46.7	(1.4)	44.5	42.4	34.3	43.3	170.0	85.5	132.2	155.1
Preferred shareholders dividends	(1.4)	(1.4)	(0.6)	---	---	---	---	---	---	(3.4)	---	---	---
Net income (loss) attributable to common shareholders (restated ^{1,2})	54.7	63.7	48.2	46.7	(1.4)	44.5	42.4	34.3	43.3	166.6	85.5	132.2	155.1

For comparison purposes, certain previous data have been reclassified.

¹ Further to securities regulations and GAAP that apply when issuing a take-over bid circular, the third quarter 2005 data were restated to consider an additional \$64.9 provision (\$43.4 after tax) related to the investment in Norshield. This provision was made subsequent to the end of the quarter, but applied to the third quarter, and brings the Company's total provision in Norshield to \$77.9 (\$52.1 after tax), its entire investment in Norshield.

² The data for the third quarter of 2004 were restated after the Company realized that the amount that could be transferred from the Participating Policyholders' Account to the Retained Earnings, pursuant to the *Insurance Companies Act*, had been understated, each year since 1981, following the incorrect application of the calculation method.



CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEETS - GENERAL FUND ASSETS

<i>(in millions of dollars, unless otherwise indicated)</i>	2006			2005				2004	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Invested assets									
Bonds	7,097.7	6,872.0	6,738.2	6,619.6	6,659.9	6,344.4	6,188.1	6,074.5	5,953.3
Mortgages	2,432.8	2,447.7	2,423.6	2,420.8	2,457.5	2,476.0	2,478.2	2,491.8	2,501.4
Stocks (restated ¹)	1,272.6	1,252.9	1,294.4	1,162.4	1,101.9	1,143.3	1,114.6	1,081.1	1,017.0
Real estate	449.9	447.6	446.0	446.3	447.1	446.2	445.4	444.5	444.6
Policy loans	216.4	219.6	225.6	182.6	180.5	182.7	196.3	162.7	168.4
Short-term investments	12.0	5.1	3.0	2.6	13.9	12.8	65.6	83.0	34.8
Cash and cash equivalents	228.3	226.8	233.7	305.7	176.7	215.1	203.0	214.3	250.5
Other invested assets	111.4	98.9	96.3	86.9	65.6	64.8	57.1	37.7	34.8
Total	11,821.1	11,570.6	11,460.8	11,226.9	11,103.1	10,885.3	10,748.3	10,589.6	10,404.8
Goodwill and other intangible assets	364.8	356.3	354.9	354.2	126.5	126.5	124.7	125.7	61.4
Other assets	483.2	439.0	427.4	391.8	363.1	364.7	348.1	315.5	395.7
Total	848.0	795.3	782.3	746.0	489.6	491.2	472.8	441.2	457.1
General fund assets	<u>12,669.1</u>	<u>12,365.9</u>	<u>12,243.1</u>	<u>11,972.9</u>	<u>11,592.7</u>	<u>11,376.5</u>	<u>11,221.1</u>	<u>11,030.8</u>	<u>10,861.9</u>

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CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEETS - GENERAL FUND LIABILITIES AND EQUITY

	2006			2005				2004	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<i>(in millions of dollars, unless otherwise indicated)</i>									
Policy liabilities									
Provisions for future policy benefits	9,157.9	8,977.0	8,857.5	8,701.0	8,558.6	8,380.4	8,264.8	8,157.7	8,002.5
Provisions for dividends to policyholders and experience rating refunds	33.9	45.3	58.5	47.1	46.2	50.2	44.6	50.2	58.2
Benefits payable and provision for unreported claims	150.3	153.9	153.6	144.7	145.9	136.4	131.2	121.7	132.4
Policyholders' amounts on deposit	175.3	163.0	162.9	164.4	164.2	170.2	165.8	164.1	156.0
Total	9,517.4	9,339.2	9,232.5	9,057.2	8,914.9	8,737.2	8,606.4	8,493.7	8,349.1
Deferred net realized gains									
Related to actuarial liabilities	496.2	473.2	447.4	418.0	393.4	389.0	377.5	357.7	353.1
Related to equity	18.1	18.1	20.8	26.1	21.9	22.1	22.2	23.0	21.6
Total	514.3	491.3	468.2	444.1	415.3	411.1	399.7	380.7	374.7
Other liabilities									
Mortgage debt	25.7	26.0	26.3	26.5	26.8	38.1	38.4	38.6	38.9
Future income tax liability (restated ¹)	279.6	263.8	278.4	264.1	246.6	263.5	237.6	224.3	205.5
Other	434.6	392.3	393.7	427.1	382.4	310.0	360.6	362.7	389.4
Total	739.9	682.1	698.4	717.7	655.8	611.6	636.6	625.6	633.8
Subordinated debentures	310.1	310.1	310.1	373.0	310.1	310.1	310.1	150.0	150.0
Other debts	---	---	---	---	---	---	---	150.0	150.0
Participating policyholders' account (restated²)	22.0	20.9	20.0	19.7	19.0	18.7	18.2	17.3	14.5
Equity									
Share capital									
Common shares	505.8	505.4	513.9	510.6	462.1	461.8	459.1	458.1	457.4
Preferred shares	125.0	125.0	125.0	---	---	---	---	---	---
Total	630.8	630.4	638.9	510.6	462.1	461.8	459.1	458.1	457.4
Contributed surplus	14.1	13.3	12.5	12.3	11.5	10.6	10.1	9.5	8.8
Retained earnings (restated ^{1,2})	927.6	885.7	869.6	845.4	809.8	821.2	786.7	751.7	726.1
Currency translation account	(7.1)	(7.1)	(7.1)	(7.1)	(5.8)	(5.8)	(5.8)	(5.8)	(2.5)
Total	1,565.4	1,522.3	1,513.9	1,361.2	1,277.6	1,287.8	1,250.1	1,213.5	1,189.8
General fund liabilities and equity	12,669.1	12,365.9	12,243.1	11,972.9	11,592.7	11,376.5	11,221.1	11,030.8	10,861.9

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GLOSSARY

Administrative services only (ASO) contract – A group insurance contract administered by the Company on behalf of the client. Under this type of contract, the Company earns fees for its administrative services but the client assumes all risks inherent to the contract.

Assets under administration – All assets with respect to which the Company acts only as an intermediary between a client and an external fund manager.

Assets under management – All assets with respect to which the Company establishes a contract with a client and makes investment decisions for amounts deposited in this contract. Assets under management generally fall under one of the three following fund categories: the Company's general fund, segregated funds or mutual funds.

Capital structure – Total of Company equity, the participating policyholders' account and subordinated debentures.

Coverage ratio – A ratio that is expressed as a number of times and obtained by dividing pre-tax income, before financing expenses, by financial expenses.

Debt to capital ratio – A ratio that is expressed as a percentage and obtained by dividing the subordinated debentures and other debts (Industrial Alliance Trust Securities - IATS) by the capital structure.

Deposits – In the term "premiums and deposits", deposits represent the amounts of money that the Company receives under a mutual fund contract.

Dividend per common share – Dividend paid by the Company to its common shareholders in a given quarter.

Dividend per preferred share – Dividend paid by the Company to its preferred shareholders in a given quarter.

Earnings per common share (EPS) – A measure of the Company's profitability, calculated by dividing the consolidated net income to common shareholders by the weighted average number of outstanding common shares for the period, excluding common shares held in treasury.

Impaired investments – Bonds and mortgage loans that are three or more months in arrears and other investment securities in default.

Market capitalization – Market measure of the Company obtained by multiplying the share price by the number of issued and outstanding common shares.

Minimum continuing capital and surplus requirements (MCCSR) – Measure of the Company's solvency founded on risks and prescribed by regulatory authorities to determine if an insurance company is sufficiently capitalized in comparison to the minimum set by the regulator.

Net income - adjusted – Net income, adjusted for non-recurring items, presented by management to provide data on a comparable basis from one period to another to allow for a better analysis of the Company's potential profitability. The adjusted net income is a non-GAAP figure. Note that there is no standardized definition of adjusted net income, therefore, the Company's adjusted net income cannot be compared to that of other issuers.

Premiums – Amounts of money that insureds or annuitants pay to the Company to be insured or purchase an annuity. Premiums include amounts for both new and existing business, net of premiums ceded to a reinsurer. Premiums correspond to the amounts posted under "Premiums" in the financial statements. The amounts paid into segregated funds are considered as premiums for the purposes of Industrial Alliance's consolidated financial statements.

Premium equivalents – Amounts of money paid by a client to the Company for administrative services rendered by the Company under an administrative services only (ASO) contract.

Return on common shareholders' equity (ROE) – A ratio that is expressed as a percentage and obtained by dividing the net income to common shareholders by the average common shareholders equity for the period, including the currency translation account and excluding the common shares held in treasury.

Sales – Depending on the business sector in question, sales are defined as follows.

- Individual Insurance: First-year annualized premiums
- Individual Wealth Management: Premiums for the general fund and segregated funds and deposits for the mutual funds.
- Group Insurance:
 - Employee Plans: First-year annualized premiums, including premium equivalents (administrative services only contracts)
 - Creditor Insurance: Gross premiums (premiums before reinsurance)
 - Special Markets Group (SMG): Premiums
- Group Pensions: Premiums

Share price – Price of the Company's share, as traded on the Toronto Stock Exchange.

Weighted average share price – The price at which Company shares are traded during a period, taking into account the proportional importance of the transactions performed on the share.