

FINANCIAL INFORMATION PACKAGE



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HIGHLIGHTS

<i>(in millions of dollars, unless otherwise indicated)</i>	Three months ended March 31			Twelve months ended
	2007	2006	Variation	December 31
				2006
PROFITABILITY				
Net income attributable to shareholders	59.3	48.8	22%	227.9
Less: preferred shareholders dividends	1.4	0.6	133%	4.9
Net income attributable to common shareholders	57.9	48.2	20%	223.0
Net income attributable to common shareholders by line of business				
Individual Insurance	28.0	19.6	43%	85.8
Individual Wealth Management	16.1	17.0	(5%)	72.9
Group Insurance	9.6	7.7	25%	46.8
Group Pensions	4.2	3.9	8%	17.5
Total	57.9	48.2	20%	223.0
Return on common shareholders' equity (quarter annualized)				
Including accumulated OCI	14.9%	---	---	---
Excluding accumulated OCI	15.2%	14.0%	---	15.7%
Earnings per common share, diluted	\$0.72	\$0.59	\$0.13	\$2.74
BUSINESS GROWTH				
Sales by line of business				
Individual Insurance ¹	32.1	34.3	(6%)	153.6
Individual Wealth Management ²				
General fund	99.9	84.3	19%	289.2
Segregated funds	380.1	369.9	3%	958.3
Mutual funds	516.6	402.6	28%	1,227.6
Total	996.6	856.8	16%	2,475.1
Group Insurance ³				
Employee plans	24.1	15.9	52%	70.8
Creditor insurance	36.2	33.1	9%	176.4
Special Markets Group (SMG)	26.8	20.9	28%	92.6
Group Pensions ⁴	254.4	221.6	15%	820.1
Premiums and deposits by line of business				
Premiums				
Individual Insurance	214.7	203.8	5%	838.6
Individual Wealth Management	480.0	454.2	6%	1,247.5
Group Insurance	200.2	173.5	15%	749.6
Group Pensions	254.4	221.6	15%	820.1
General Insurance	28.1	25.0	12%	107.2
Total	1,177.4	1,078.1	9%	3,763.0
Deposits				
Individual Wealth Management - Mutual funds	516.6	402.6	28%	1,227.6
Total	1,694.0	1,480.7	14%	4,990.6
Assets under management and administration	49,995.3	40,066.1	25%	46,904.1

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>	March 31, 2007	December 31, 2006	March 31, 2006
QUALITY OF INVESTMENTS			
Impaired investments and provisions (excluding insured loans)			
Net impaired investments	8.3	7.9	7.7
Net impaired investments as a % of total investments	0.06%	0.06%	0.07%
Provisions	9.4	87.3	89.3
Provisions as a % of gross impaired investments	52.9%	91.7%	92.0%
Bonds			
Rated BB and lower	0.28%	0.31%	0.35%
Delinquency rate	0.01%	0.02%	0.02%
Mortgages			
Delinquency rate	0.07%	0.06%	0.32%
Proportion of delinquent loans that are insured	99.4%	88.0%	91.9%
Stocks: market value/book value	---	110.1%	109.4%
Real estate: occupancy rate	95.0%	95.5%	96.8%
SOLVENCY RATIO			
Solvency ratio ¹	197%	201%	202%

¹ The solvency ratio is calculated in accordance with capital adequacy requirements.

PROFITABILITY

	2007	2006				2005				2006	2005
	Q1 ¹	Q4	Q3	Q2	Q1	Q4	Q3 ²	Q2	Q1	Annual	Annual
<i>(in millions of dollars, unless otherwise indicated)</i>											
Net income											
Net income (loss)	60.0	59.0	57.2	66.0	49.1	47.4	(1.1)	45.0	43.3	231.3	134.6
Less: net income attributable to participating policyholders	0.7	1.1	1.1	0.9	0.3	0.7	0.3	0.5	0.9	3.4	2.4
Net income (loss) attributable to shareholders	59.3	57.9	56.1	65.1	48.8	46.7	(1.4)	44.5	42.4	227.9	132.2
Less: preferred shareholders dividends	1.4	1.5	1.4	1.4	0.6	---	---	---	---	4.9	---
Net income (loss) attributable to common shareholders	57.9	56.4	54.7	63.7	48.2	46.7	(1.4)	44.5	42.4	223.0	132.2
Net income, adjusted											
Net income (loss) attributable to common shareholders	57.9	56.4	54.7	63.7	48.2	46.7	(1.4)	44.5	42.4	223.0	132.2
Restructuring charges net of tax ³	---	0.7	0.8	0.9	0.6	1.5	0.7	1.0	0.9	3.0	4.1
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)
Provision for the Norshield funds net of tax	---	---	---	---	---	---	52.1	---	---	---	52.1
Net income attributable to common shareholders, adjusted	57.9	57.1	55.5	53.1	48.8	48.2	47.2	45.5	43.3	214.5	184.2
Preferred shareholders dividends	1.4	1.5	1.4	1.4	0.6	---	---	---	---	4.9	---
Net income attributable to shareholders, adjusted	59.3	58.6	56.9	54.5	49.4	48.2	47.2	45.5	43.3	219.4	184.2
Earnings per common share⁴											
Earnings (losses) per common share											
Basic	\$0.72	\$0.71	\$0.68	\$0.79	\$0.59	\$0.59	\$(0.02)	\$0.56	\$0.53	\$2.77	\$1.66
Diluted	\$0.72	\$0.70	\$0.68	\$0.78	\$0.59	\$0.58	\$(0.02)	\$0.56	\$0.53	\$2.74	\$1.65
Earnings per common share, adjusted											
Basic	\$0.72	\$0.72	\$0.69	\$0.66	\$0.60	\$0.60	\$0.59	\$0.57	\$0.54	\$2.67	\$2.31
Diluted	\$0.72	\$0.71	\$0.69	\$0.65	\$0.59	\$0.60	\$0.59	\$0.57	\$0.54	\$2.64	\$2.30
Return on common shareholders' equity including accumulated OCI											
Return on common shareholders' equity											
Quarter annualized ⁵	14.9%	---	---	---	---	---	---	---	---	---	---
Trailing 12 months	15.7%	---	---	---	---	---	---	---	---	---	---
Return on common shareholders' equity, adjusted											
Quarter annualized ⁵	14.9%	---	---	---	---	---	---	---	---	---	---
Trailing 12 months	15.1%	---	---	---	---	---	---	---	---	---	---
Return on common shareholders' equity excluding accumulated OCI											
Return on common shareholders' equity											
Quarter annualized ⁵	15.2%	15.4%	15.4%	18.3%	14.0%	14.1%	(0.5%)	14.0%	13.8%	---	---
Trailing 12 months	15.8%	15.7%	15.7%	11.7%	10.5%	10.3%	9.7%	13.5%	13.5%	15.7%	10.3%
Return on common shareholders' equity, adjusted											
Quarter annualized ⁵	15.2%	15.6%	15.6%	15.3%	14.2%	14.1%	14.3%	14.3%	14.0%	---	---
Trailing 12 months	15.2%	15.1%	15.2%	14.5%	14.1%	14.0%	14.0%	14.1%	14.1%	15.1%	14.0%

¹ Adoption of the new financial instruments accounting standards. Please refer to note 2 of the financial statements for further details.

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 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 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.

⁵ In the first quarter 2007, the ROE was calculated using the equity as of January 1, 2007.

PROFITABILITY (continued)

	2007		2006			2005				2006	2005
	Q1 ¹	Q4	Q3	Q2	Q1	Q4	Q3 ²	Q2	Q1	Annual	Annual
<i>(in millions of dollars, unless otherwise indicated)</i>											
Net income (loss) attributable to common shareholders by line of business											
Individual Insurance	28.0	21.9	21.1	23.2	19.6	21.1	20.1	19.1	20.1	85.8	80.4
Individual Wealth Management	16.1	18.2	16.3	21.4	17.0	11.6	(36.0)	12.7	10.3	72.9	(1.4)
Group Insurance	9.6	11.1	12.8	15.2	7.7	9.3	10.1	8.0	7.7	46.8	35.1
Group Pensions	4.2	5.2	4.5	3.9	3.9	4.7	4.4	4.7	4.3	17.5	18.1
Total	<u>57.9</u>	<u>56.4</u>	<u>54.7</u>	<u>63.7</u>	<u>48.2</u>	<u>46.7</u>	<u>(1.4)</u>	<u>44.5</u>	<u>42.4</u>	<u>223.0</u>	<u>132.2</u>
Net income attributable to common shareholders by line of business, adjusted											
Individual Insurance	28.0	22.4	21.7	16.5	20.1	22.2	18.7	19.7	20.7	80.7	81.3
Individual Wealth Management	16.1	18.4	16.5	20.0	17.1	12.0	13.8	12.8	10.4	72.0	49.0
Group Insurance	9.6	11.1	12.8	12.6	7.7	9.3	10.2	8.3	7.9	44.2	35.7
Group Pensions	4.2	5.2	4.5	4.0	3.9	4.7	4.5	4.7	4.3	17.6	18.2
Total	<u>57.9</u>	<u>57.1</u>	<u>55.5</u>	<u>53.1</u>	<u>48.8</u>	<u>48.2</u>	<u>47.2</u>	<u>45.5</u>	<u>43.3</u>	<u>214.5</u>	<u>184.2</u>

¹ Adoption of the new financial instruments accounting standards. Please refer to note 2 of the financial statements for further details.

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.

SOURCES OF EARNINGS BY LINE OF BUSINESS

	2007	2006				2005				2006	2005
	Q1 ¹	Q4	Q3	Q2	Q1	Q4	Q3 ²	Q2	Q1	Annual	Annual
<i>(in millions of dollars, unless otherwise indicated)</i>											
Individual Insurance											
Operating profit											
Expected profit from in-force	45.0	44.2	43.5	42.8	42.0	39.5	39.1	38.8	38.6	172.5	156.0
Experience gain (loss)	0.0	1.5	(0.1)	(0.9)	2.1	4.0	(0.5)	0.3	1.9	2.6	5.7
Gain (strain) on sales	(17.6)	(25.2)	(23.8)	(28.5)	(25.2)	(21.7)	(21.1)	(21.7)	(18.4)	(102.7)	(82.9)
Changes in assumptions	0.0	(1.7)	0.0	0.0	0.0	(1.5)	0.0	0.0	0.0	(1.7)	(1.5)
Total	27.4	18.8	19.6	13.4	18.9	20.3	17.5	17.4	22.1	70.7	77.3
Income on capital	11.9	14.7	12.7	11.7	11.5	11.6	10.9	10.3	8.6	50.6	41.4
Income taxes	(11.3)	(11.1)	(10.6)	(8.6)	(10.3)	(9.7)	(9.7)	(8.0)	(10.0)	(40.6)	(37.4)
Net income before other items	28.0	22.4	21.7	16.5	20.1	22.2	18.7	19.7	20.7	80.7	81.3
Other items ³	0.0	(0.5)	(0.6)	6.7	(0.5)	(1.1)	1.4	(0.6)	(0.6)	5.1	(0.9)
Net income to shareholders	28.0	21.9	21.1	23.2	19.6	21.1	20.1	19.1	20.1	85.8	80.4
Less: preferred shareholders dividends	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income to common shareholders	28.0	21.9	21.1	23.2	19.6	21.1	20.1	19.1	20.1	85.8	80.4
Individual Wealth Management											
Operating profit											
Expected profit from in-force	25.2	24.6	23.5	22.8	22.0	15.1	14.2	13.6	12.9	92.9	55.8
Experience gain (loss)	(0.1)	1.9	1.4	2.6	3.5	5.0	4.1	3.9	0.6	9.4	13.6
Gain (strain) on sales	(1.2)	(1.5)	(1.6)	(1.4)	(0.9)	(2.8)	(2.2)	(1.2)	(2.1)	(5.4)	(8.3)
Changes in assumptions	0.0	1.4	0.0	0.0	0.0	(1.6)	0.0	0.0	0.0	1.4	(1.6)
Total	23.9	26.4	23.3	24.0	24.6	15.7	16.1	16.3	11.4	98.3	59.5
Income on capital	1.3	1.1	1.2	1.4	1.1	2.7	2.8	2.6	3.6	4.8	11.7
Income taxes	(7.7)	(7.6)	(6.6)	(4.0)	(8.0)	(6.4)	(5.1)	(6.1)	(4.6)	(26.2)	(22.2)
Net income before other items	17.5	19.9	17.9	21.4	17.7	12.0	13.8	12.8	10.4	76.9	49.0
Other items ³	0.0	(0.2)	(0.2)	1.4	(0.1)	(0.4)	(49.8)	(0.1)	(0.1)	0.9	(50.4)
Net income to shareholders	17.5	19.7	17.7	22.8	17.6	11.6	(36.0)	12.7	10.3	77.8	(1.4)
Less: preferred shareholders dividends	1.4	1.5	1.4	1.4	0.6	0.0	0.0	0.0	0.0	4.9	0.0
Net income (loss) to common shareholders	16.1	18.2	16.3	21.4	17.0	11.6	(36.0)	12.7	10.3	72.9	(1.4)
Group Insurance											
Operating profit											
Expected profit from in-force	9.9	10.2	11.5	9.8	9.0	11.7	11.8	10.9	9.6	40.5	44.0
Experience gain (loss)	0.2	(0.6)	2.0	4.3	(0.4)	0.9	0.0	(1.4)	0.2	5.3	(0.3)
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
Changes in assumptions	0.0	1.3	0.0	0.0	0.0	(1.1)	0.0	0.0	0.0	1.3	(1.1)
Total	10.1	10.9	13.5	14.1	8.6	11.5	11.8	9.5	9.8	47.1	42.6
Income on capital	3.2	4.0	3.4	2.8	3.0	2.9	2.7	2.5	2.0	13.2	10.1
Income taxes	(3.7)	(3.8)	(4.1)	(4.3)	(3.9)	(5.1)	(4.3)	(3.7)	(3.9)	(16.1)	(17.0)
Net income before other items	9.6	11.1	12.8	12.6	7.7	9.3	10.2	8.3	7.9	44.2	35.7
Other items ³	0.0	0.0	0.0	2.6	0.0	0.0	(0.1)	(0.3)	(0.2)	2.6	(0.6)
Net income to shareholders	9.6	11.1	12.8	15.2	7.7	9.3	10.1	8.0	7.7	46.8	35.1
Less: preferred shareholders dividends	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income to common shareholders	9.6	11.1	12.8	15.2	7.7	9.3	10.1	8.0	7.7	46.8	35.1

¹ Adoption of the new financial instruments accounting standards. Please refer to note 2 of the financial statements for further details.

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 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.

SOURCES OF EARNINGS BY LINE OF BUSINESS (continued)

(in millions of dollars, unless otherwise indicated)	2007	2006				2005				2006	2005
	Q1 ¹	Q4	Q3	Q2	Q1	Q4	Q3 ²	Q2	Q1	Annual	Annual
Group Pensions											
Operating profit											
Expected profit from in-force	3.7	4.0	3.9	3.8	3.6	3.3	3.2	3.1	2.9	15.3	12.5
Experience gain (loss)	0.5	1.1	0.1	(0.1)	0.3	(2.3)	0.7	0.9	0.7	1.4	0.0
Gain (strain) on sales	(0.6)	(0.8)	0.0	0.1	(0.6)	0.0	(0.9)	(0.1)	(0.2)	(1.3)	(1.2)
Changes in assumptions	0.0	(0.4)	0.0	0.0	0.0	2.1	0.0	0.0	0.0	(0.4)	2.1
Total	3.6	3.9	4.0	3.8	3.3	3.1	3.0	3.9	3.4	15.0	13.4
Income on capital	2.1	3.2	2.2	1.8	2.2	2.9	3.0	2.8	2.6	9.4	11.3
Income taxes	(1.5)	(1.9)	(1.7)	(1.6)	(1.6)	(1.3)	(1.5)	(2.0)	(1.7)	(6.8)	(6.5)
Net income before other items	4.2	5.2	4.5	4.0	3.9	4.7	4.5	4.7	4.3	17.6	18.2
Other items ³	0.0	0.0	0.0	(0.1)	0.0	0.0	(0.1)	0.0	0.0	(0.1)	(0.1)
Net income to shareholders	4.2	5.2	4.5	3.9	3.9	4.7	4.4	4.7	4.3	17.5	18.1
Less: preferred shareholders dividends	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income to common shareholders	4.2	5.2	4.5	3.9	3.9	4.7	4.4	4.7	4.3	17.5	18.1
Total company											
Operating profit											
Expected profit from in-force	83.8	83.0	82.4	79.2	76.6	69.6	68.3	66.4	64.0	321.2	268.3
Experience gain (loss)	0.6	3.9	3.4	5.9	5.5	7.6	4.3	3.7	3.4	18.7	19.0
Gain (strain) on sales	(19.4)	(27.5)	(25.4)	(29.8)	(26.7)	(24.5)	(24.2)	(23.0)	(20.7)	(109.4)	(92.4)
Changes in assumptions	0.0	0.6	0.0	0.0	0.0	(2.1)	0.0	0.0	0.0	0.6	(2.1)
Total	65.0	60.0	60.4	55.3	55.4	50.6	48.4	47.1	46.7	231.1	192.8
Income on capital											
Investment income	16.3	---	---	---	---	---	---	---	---	---	---
Realized gains (losses) on assets available-for-sale	2.2	---	---	---	---	---	---	---	---	---	---
Total	18.5	23.0	19.5	17.7	17.8	20.1	19.4	18.2	16.8	78.0	74.5
Income taxes	(24.2)	(24.4)	(23.0)	(18.5)	(23.8)	(22.5)	(20.6)	(19.8)	(20.2)	(89.7)	(83.1)
Net income before other items	59.3	58.6	56.9	54.5	49.4	48.2	47.2	45.5	43.3	219.4	184.2
Other items ³	0.0	(0.7)	(0.8)	10.6	(0.6)	(1.5)	(48.6)	(1.0)	(0.9)	8.5	(52.0)
Net income to shareholders	59.3	57.9	56.1	65.1	48.8	46.7	(1.4)	44.5	42.4	227.9	132.2
Less: preferred shareholders dividends	1.4	1.5	1.4	1.4	0.6	0.0	0.0	0.0	0.0	4.9	0.0
Net income (loss) to common shareholders	57.9	56.4	54.7	63.7	48.2	46.7	(1.4)	44.5	42.4	223.0	132.2

¹ Adoption of the new financial instruments accounting standards. Please refer to note 2 of the financial statements for further details.

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 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.

BUSINESS GROWTH

<i>(in millions of dollars, unless otherwise indicated)</i>	2007	2006				2005				2006	2005
	Q1 ¹	Q4	Q3	Q2	Q1	Q4	Q3 ²	Q2	Q1	Annual	Annual
Revenues											
Premiums											
General fund	620.4	590.1	520.6	552.4	545.9	489.4	517.1	482.6	492.1	2,209.0	1,981.2
Segregated funds	557.0	317.8	249.5	454.5	532.2	290.3	271.5	267.9	360.2	1,554.0	1,189.9
Total	1,177.4	907.9	770.1	1,006.9	1,078.1	779.7	788.6	750.5	852.3	3,763.0	3,171.1
Net investment income											
Investment income	112.8	170.7	173.9	145.3	153.4	157.6	152.9	149.5	150.6	643.3	610.6
Amortization of realized and unrealized gains (losses)											
Real estate	2.2	2.0	1.7	1.8	1.7	1.6	1.0	0.9	1.0	7.2	4.5
Other	---	108.5	44.4	(14.0)	68.6	40.1	49.7	41.7	20.5	207.5	152.1
Realized gains (losses) on assets available-for-sale	2.2	---	---	---	---	---	---	---	---	---	---
Variations in the market value of assets held-for-trading	53.2	---	---	---	---	---	---	---	---	---	---
Change in provision for losses	(0.1)	0.0	2.1	0.0	(0.1)	0.0	(77.9)	0.0	1.6	2.0	(76.3)
Total	170.3	281.2	222.1	133.1	223.6	199.4	125.7	192.1	173.7	860.0	690.9
Fees and other income	86.4	84.6	83.6	73.2	73.5	43.2	42.3	42.8	39.1	314.9	167.4
Total revenues	1,434.1	1,273.7	1,075.8	1,213.2	1,375.2	1,022.3	956.6	985.4	1,065.1	4,937.9	4,029.4
Premiums and deposits by line of business											
Premiums											
Individual Insurance	214.7	217.0	208.5	209.3	203.8	203.6	183.8	192.6	188.7	838.6	768.7
Individual Wealth Management	480.0	274.2	224.3	294.8	454.2	251.2	229.4	217.4	349.6	1,247.5	1,047.6
Group Insurance	200.2	190.2	198.3	187.6	173.5	171.1	183.4	179.7	160.7	749.6	694.9
Group Pensions	254.4	198.0	111.6	288.9	221.6	129.1	167.4	137.4	130.9	820.1	564.8
General Insurance	28.1	28.5	27.4	26.3	25.0	24.7	24.6	23.4	22.4	107.2	95.1
Total	1,177.4	907.9	770.1	1,006.9	1,078.1	779.7	788.6	750.5	852.3	3,763.0	3,171.1
Deposits											
Individual Wealth Management - Mutual funds	516.6	294.7	228.7	301.6	402.6	92.8	87.3	86.9	145.6	1,227.6	412.6
Total	1,694.0	1,202.6	998.8	1,308.5	1,480.7	872.5	875.9	837.4	997.9	4,990.6	3,583.7
Individual Insurance											
Sales ³	32.1	40.6	37.2	41.5	34.3	38.8	35.3	36.2	31.0	153.6	141.3
Premiums	214.7	217.0	208.5	209.3	203.8	203.6	183.8	192.6	188.7	838.6	768.7
Individual Wealth Management											
Sales ⁴											
General fund	99.9	70.1	65.9	68.9	84.3	64.2	49.5	54.2	74.5	289.2	242.4
Segregated funds	380.1	204.1	158.4	225.9	369.9	187.0	179.9	163.2	275.1	958.3	805.2
Mutual funds	516.6	294.7	228.7	301.6	402.6	92.8	87.3	86.9	145.6	1,227.6	412.6
Total	996.6	568.9	453.0	596.4	856.8	344.0	316.7	304.3	495.2	2,475.1	1,460.2
Net investment fund sales											
Segregated funds	280.0	114.2	79.8	107.3	306.3	141.7	125.6	81.2	198.9	607.6	547.4
Mutual funds	234.8	67.3	35.8	66.0	97.9	26.9	25.5	28.6	67.7	267.0	148.7
Total	514.8	181.5	115.6	173.3	404.2	168.6	151.1	109.8	266.6	874.6	696.1
Funds under management											
General fund	1,692.2	1,631.7	1,645.5	1,649.9	1,661.3	1,695.5	1,713.3	1,724.1	1,745.9	1,631.7	1,695.5
Segregated funds	6,393.0	6,046.8	5,556.2	5,303.3	5,338.1	4,851.2	4,642.9	4,343.5	4,155.5	6,046.8	4,851.2
Mutual funds	6,558.6	6,281.2	5,957.5	5,832.7	5,985.3	5,659.8	5,209.7	5,149.9	5,113.8	6,281.2	5,659.8
Total	14,643.8	13,959.7	13,159.2	12,785.9	12,984.7	12,206.5	7,565.9	7,217.5	7,015.2	13,959.7	12,206.5

For comparison purposes, certain previous data have been reclassified.

¹ Adoption of the new financial instruments accounting standards. Please refer to note 2 of the financial statements for further details.

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

⁴ 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)

	2007	2006				2005				2006	2005
	Q1 ¹	Q4	Q3	Q2	Q1	Q4	Q3 ²	Q2	Q1	Annual	Annual
<i>(in millions of dollars, unless otherwise indicated)</i>											
Group Insurance											
Sales ³											
Employee plans	24.1	15.5	21.3	18.1	15.9	14.9	9.7	13.8	13.9	70.8	52.3
Creditor insurance	36.2	40.2	53.7	49.4	33.1	36.8	49.9	44.0	28.1	176.4	158.8
Special Markets Group (SMG)	26.8	28.7	22.3	20.7	20.9	24.5	20.8	20.7	21.4	92.6	87.4
Premiums and premium equivalents											
Employee plans	144.4	128.5	129.9	123.8	127.0	116.4	119.9	121.3	117.8	509.2	475.4
Creditor insurance	29.0	33.0	46.1	43.1	25.6	30.2	42.7	37.7	21.5	147.8	132.1
Special Markets Group (SMG)	26.8	28.7	22.3	20.7	20.9	24.5	20.8	20.7	21.4	92.6	87.4
Total premiums	200.2	190.2	198.3	187.6	173.5	171.1	183.4	179.7	160.7	749.6	694.9
Premium equivalents	26.6	32.3	29.5	33.0	29.3	27.0	24.8	27.2	23.9	124.1	102.9
Total	226.8	222.5	227.8	220.6	202.8	198.1	208.2	206.9	184.6	873.7	797.8
Group Pensions											
Sales ⁴											
Accumulation contracts											
General fund	8.3	2.1	7.1	14.1	5.9	8.6	3.4	6.9	6.9	29.2	25.8
Segregated funds	176.9	113.7	91.1	228.6	162.3	103.3	91.6	104.8	85.0	595.7	384.7
Total	185.2	115.8	98.2	242.7	168.2	111.9	95.0	111.7	91.9	624.9	410.5
Insured annuities (general fund)											
Total	69.2	82.2	13.4	46.2	53.4	17.2	72.4	25.7	39.0	195.2	154.3
Total	254.4	198.0	111.6	288.9	221.6	129.1	167.4	137.4	130.9	820.1	564.8
Funds under management											
Accumulation contracts											
General fund	142.4	142.4	147.8	148.4	142.5	150.4	149.5	152.0	152.3	142.4	150.4
Segregated funds	3,198.5	3,041.5	2,829.1	2,666.6	2,565.9	2,402.9	2,294.1	2,160.6	2,028.7	3,041.5	2,402.9
Other	35.4	36.4	38.1	35.6	35.4	34.7	34.3	34.4	34.5	36.4	34.7
Total	3,376.3	3,220.3	3,015.0	2,850.6	2,743.8	2,588.0	2,477.9	2,347.0	2,215.5	3,220.3	2,588.0
Insured annuities (general fund)											
Total	2,494.9	2,150.9	2,084.9	2,089.4	2,062.6	2,026.2	2,022.9	1,962.5	1,957.4	2,150.9	2,026.2
Total	5,871.2	5,371.2	5,099.9	4,940.0	4,806.4	4,614.2	4,500.8	4,309.5	4,172.9	5,371.2	4,614.2
Distribution of premiums and deposits by region											
Atlantic provinces	4.8%	4.4%	4.8%	4.8%	4.7%	3.6%	3.1%	3.9%	4.0%	4.7%	3.6%
Quebec	44.0%	47.4%	39.3%	38.7%	46.8%	51.5%	48.7%	51.2%	54.2%	43.3%	51.5%
Ontario	28.3%	27.9%	30.1%	37.6%	30.2%	24.6%	29.5%	25.8%	25.5%	31.6%	26.3%
Western provinces	19.6%	18.8%	23.5%	17.5%	17.1%	18.3%	17.0%	16.7%	14.9%	18.9%	16.7%
Outside Canada	3.3%	1.5%	2.3%	1.4%	1.2%	2.1%	1.7%	2.4%	1.5%	1.5%	1.9%
Total	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											
Assets under management											
General fund	14,623.0	13,090.7	12,669.1	12,365.9	12,243.1	11,972.9	11,592.7	11,376.5	11,221.1	13,090.7	11,972.9
Segregated funds	9,708.9	9,204.1	8,456.9	8,060.6	7,999.4	7,348.8	7,027.0	6,579.8	6,260.0	9,204.1	7,348.8
Mutual funds	6,570.9	6,295.4	5,971.2	5,846.3	5,997.9	5,672.7	1,220.8	1,160.6	1,113.8	6,295.4	5,672.7
Other	529.7	501.3	592.9	720.5	759.3	785.9	783.1	706.6	711.3	501.3	785.9
Total	31,432.5	29,091.5	27,690.1	26,993.3	26,999.7	25,780.3	20,623.6	19,823.5	19,306.2	29,091.5	25,780.3
Assets under administration											
Total	18,562.8	17,812.6	16,595.9	12,689.5	13,066.4	12,390.9	11,696.1	11,003.4	10,247.0	17,812.6	12,390.9
Total	49,995.3	46,904.1	44,286.0	39,682.8	40,066.1	38,171.2	32,319.7	30,826.9	29,553.2	46,904.1	38,171.2

For comparison purposes, certain previous data have been reclassified.

¹ Adoption of the new financial instruments accounting standards. Please refer to note 2 of the financial statements for further details.

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 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.

INVESTED ASSETS

	2007	2006				2005			
	Q1 ¹	Q4	Q3	Q2	Q1	Q4	Q3 ²	Q2	Q1
<i>(in millions of dollars, unless otherwise indicated)</i>									
Value and distribution of investments									
Book value of investment portfolio	13,735.5	12,256.2	11,821.1	11,570.6	11,460.8	11,226.9	11,103.1	10,885.3	10,748.3
Market value of investments	---	13,759.8	13,308.6	12,568.2	12,976.0	12,809.6	12,622.7	12,443.2	11,884.6
Market value/book value	---	112.3%	112.6%	108.6%	113.2%	114.1%	113.7%	114.3%	110.6%
Distribution of investments by financial instrument category									
Available-for-sale	8.5%	---	---	---	---	---	---	---	---
Held-for-trading	60.8%	---	---	---	---	---	---	---	---
Loans and Receivables	26.1%	---	---	---	---	---	---	---	---
Real estate	3.5%	---	---	---	---	---	---	---	---
Other	1.1%	---	---	---	---	---	---	---	---
Total	100.0%	---	---	---	---	---	---	---	---
Distribution of investments by asset category									
Bonds	61.4%	58.6%	60.0%	59.4%	58.8%	58.9%	60.0%	58.3%	57.7%
Mortgages	18.3%	20.1%	20.6%	21.2%	21.1%	21.6%	22.1%	22.7%	23.1%
Stocks	11.9%	11.9%	10.8%	10.8%	11.3%	10.4%	9.9%	10.5%	10.4%
Real estate	3.5%	3.7%	3.8%	3.9%	3.9%	4.0%	4.0%	4.1%	4.1%
Other	4.9%	5.7%	4.8%	4.7%	4.9%	5.1%	3.9%	4.4%	4.9%
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	3.9%	3.9%	4.1%	4.2%	4.5%	4.8%	4.6%	4.7%	4.9%
Quebec	50.0%	48.0%	49.8%	49.3%	48.7%	49.5%	50.2%	49.7%	49.8%
Ontario	20.0%	20.6%	20.1%	20.2%	20.8%	20.3%	20.1%	20.8%	20.6%
Western provinces	15.8%	16.6%	16.1%	16.6%	16.9%	16.9%	16.9%	17.1%	17.0%
Outside Canada	10.3%	10.9%	9.9%	9.7%	9.1%	8.5%	8.2%	7.7%	7.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Impaired investments and provisions									
Gross impaired investments (excluding insured loans)	95.7	95.2	95.3	96.4	97.0	96.8	96.4	18.6	22.3
Less: Impact of financial instrument as at January 1, 2007	78.0	---	---	---	---	---	---	---	---
Gross impaired investments after financial instrument impact	17.7	95.2	95.3	96.4	97.0	96.8	96.4	18.6	22.3
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	0.0	0.2	0.5	0.0	0.6	0.5	0.1	0.2	3.9
Real estate acquired to settle loans	7.1	6.5	6.4	5.9	5.9	5.9	6.0	5.9	5.9
Other	0.0	---	---	---	---	---	---	---	---
Total	8.3	7.9	8.1	7.1	7.7	7.6	7.3	7.3	11.0
Provisions for losses									
At beginning of period	87.3	87.2	89.3	89.3	89.2	89.1	11.3	11.3	39.1
Increase for the period	0.1	0.1	0.1	0.0	0.1	0.1	78.0	0.0	0.1
Decrease for the period	0.0	0.0	(2.2)	0.0	0.0	0.0	(0.2)	0.0	(27.9)
Less: Impact of financial instrument as at January 1, 2007	78.0	---	---	---	---	---	---	---	---
At end of period	9.4	87.3	87.2	89.3	89.3	89.2	89.1	11.3	11.3
Provisions for losses by type of investment									
Bonds	4.9	4.8	4.7	4.6	4.6	4.6	4.5	4.6	4.6
Mortgages	0.8	0.8	0.8	3.0	3.0	3.0	3.0	3.0	3.0
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	0.0	78.0	78.0	78.0	78.0	77.9	77.9	0.0	0.0
Total	9.4	87.3	87.2	89.3	89.3	89.2	89.1	11.3	11.3
Net impaired investments as a % of total investments	0.06%	0.06%	0.07%	0.06%	0.07%	0.07%	0.07%	0.07%	0.10%
Provisions as a % of gross impaired investments	52.9%	91.7%	91.4%	92.7%	92.0%	92.1%	92.4%	60.7%	50.6%

For comparison purposes, certain previous data have been reclassified.

¹ Adoption of the new financial instruments accounting standards. Please refer to note 2 of the financial statements for further details.

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.

INVESTED ASSETS (continued)

	2007	2006				2005			
	Q1 ¹	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<i>(in millions of dollars, unless otherwise indicated)</i>									
Bonds									
Book value of the bond portfolio	8,428.0	7,189.4	7,097.7	6,872.0	6,738.2	6,619.6	6,659.9	6,344.4	6,188.1
Market value of the bond portfolio	---	8,409.3	8,388.3	7,706.2	8,028.1	7,997.0	7,979.1	7,706.0	7,173.0
Market value/book value	---	117.0%	118.2%	112.1%	119.1%	120.8%	119.8%	121.5%	115.9%
Distribution of bonds by financial instrument category									
Available-for-sale	9.5%	---	---	---	---	---	---	---	---
Held-for-trading	81.1%	---	---	---	---	---	---	---	---
Loans and Receivables	9.4%	---	---	---	---	---	---	---	---
Total	100.0%	---	---	---	---	---	---	---	---
Distribution by credit rating									
Rating - AAA	14.7%	17.4%	14.1%	13.0%	12.6%	12.3%	11.3%	9.5%	9.3%
Rating - AA	17.2%	17.9%	16.6%	17.5%	16.8%	16.3%	16.8%	17.3%	17.2%
Rating - A	61.7%	58.3%	63.3%	63.7%	63.4%	63.7%	64.5%	65.6%	65.9%
Rating - BBB	6.1%	6.1%	5.7%	5.5%	6.9%	7.3%	7.2%	7.4%	7.4%
Rating - BB and lower	0.3%	0.3%	0.3%	0.3%	0.3%	0.4%	0.2%	0.2%	0.2%
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	61.5%	56.9%	57.8%	57.8%	59.4%	60.4%	63.6%	65.1%	65.8%
Municipalities	1.6%	1.7%	1.6%	1.5%	1.5%	1.6%	1.8%	1.8%	1.9%
Corporates - Public issues	23.7%	26.1%	26.7%	26.5%	25.3%	25.1%	23.0%	21.7%	20.5%
Corporates - Private issues	13.2%	15.3%	13.9%	14.2%	13.8%	12.9%	11.6%	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	0.01%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%
Mortgages									
Book value of the mortgage portfolio	2,517.2	2,457.2	2,432.8	2,447.7	2,423.6	2,420.8	2,457.5	2,476.0	2,478.2
Market value of the mortgage portfolio	---	2,516.0	2,458.6	2,446.3	2,460.1	2,469.8	2,526.1	2,565.4	2,534.0
Market value/book value	---	102.4%	101.1%	99.9%	101.5%	102.0%	102.8%	103.6%	102.3%
Distribution of mortgages by financial instrument category									
Available-for-sale	0.0%	---	---	---	---	---	---	---	---
Held-for-trading	0.0%	---	---	---	---	---	---	---	---
Loans and Receivables	100.0%	---	---	---	---	---	---	---	---
Total	100.0%	---	---	---	---	---	---	---	---
Mortgages by type of property									
Residential	21.1%	20.4%	20.2%	18.5%	16.7%	16.3%	16.1%	16.1%	16.1%
Multi-residential	60.0%	59.5%	59.2%	59.5%	59.8%	58.9%	58.7%	60.6%	60.1%
Non-residential	18.9%	20.1%	20.6%	22.0%	23.5%	24.8%	25.2%	23.3%	23.8%
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	61.5%	60.2%	56.9%	56.2%	56.1%	55.6%	53.7%	53.3%	53.4%
Conventional	38.5%	39.8%	43.1%	43.8%	43.9%	44.4%	46.3%	46.7%	46.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

¹ Adoption of the new financial instruments accounting standards. Please refer to note 2 of the financial statements for further details.

INVESTED ASSETS (continued)

<i>(in millions of dollars, unless otherwise indicated)</i>	2007	2006				2005			
	Q1 ¹	Q4	Q3	Q2	Q1	Q4	Q3 ²	Q2	Q1
Mortgages (continued)									
Other quality measures									
Delinquency rate									
Insured loans	0.11%	0.09%	0.49%	0.47%	0.53%	0.50%	0.52%	0.51%	0.52%
Conventional loans	0.00%	0.02%	0.05%	0.00%	0.06%	0.05%	0.01%	0.01%	0.33%
Total	0.07%	0.06%	0.30%	0.26%	0.32%	0.30%	0.28%	0.28%	0.43%
Proportion of delinquent loans that are insured	99.4%	88.0%	93.1%	100.0%	91.9%	93.0%	98.6%	97.8%	64.3%
Delinquency rate, including real estate acquired to settle loans	0.49%	0.48%	0.71%	0.65%	0.71%	0.69%	0.67%	0.66%	0.82%
Proportion of conventional restructured loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Stocks									
Book value of the stock portfolio	1,635.9	1,453.5	1,272.6	1,252.9	1,294.4	1,162.4	1,101.9	1,143.3	1,114.6
Market value of the stock portfolio	---	1,599.7	1,378.4	1,350.1	1,416.4	1,255.1	1,194.3	1,206.5	1,168.6
Market value/book value	---	110.1%	108.3%	107.8%	109.4%	108.0%	108.4%	105.5%	104.8%
Distribution of stocks by financial instrument category									
Available-for-sale	22.1%	---	---	---	---	---	---	---	---
Held-for-trading	77.9%	---	---	---	---	---	---	---	---
Total	100.0%	---	---	---	---	---	---	---	---
Distribution of stocks by category									
Common	5.9%	5.0%	5.5%	4.7%	4.4%	4.9%	4.0%	3.7%	3.7%
Preferred	9.5%	10.9%	12.2%	12.2%	11.7%	12.8%	15.8%	18.3%	21.4%
Market indices	25.5%	23.6%	22.3%	22.4%	21.5%	18.2%	13.3%	12.6%	12.8%
Investment fund units	59.1%	60.5%	60.0%	60.7%	62.4%	64.1%	66.9%	65.4%	62.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Real estate³									
Book value of the real estate portfolio	476.8	451.8	449.9	447.6	446.0	446.3	447.1	446.2	445.4
Market value of the real estate portfolio	560.4	530.5	515.3	515.3	513.0	509.9	486.6	486.5	486.5
Market value/book value	118.4%	117.4%	114.5%	115.1%	115.0%	114.2%	108.8%	109.0%	109.2%
Occupancy rate	95.0%	95.5%	95.2%	97.7%	96.8%	96.8%	96.1%	96.3%	95.8%
Other									
Provision for potential loss included in the policy liabilities	81.2	73.1	---	---	---	77.7	---	---	---

¹ Adoption of the new financial instruments accounting standards. Please refer to note 2 of the financial statements for further details.

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 real estate does not meet the criteria of a financial asset covered by the new financial instruments standards.

REALIZED AND UNREALIZED GAINS (LOSSES)

<i>(in millions of dollars, unless otherwise indicated)</i>	2007	2006				2005				2006	2005
	Q1 ¹	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual
Deferred net realized gains											
Real estate	9.4	9.7	10.0	10.3	10.8	10.9	12.5	12.9	13.3	9.7	10.9
Other than real estate											
Related to shareholders' equity	---	17.9	12.2	12.0	13.5	18.8	13.7	13.7	13.5	17.9	18.8
Related to other than shareholders' equity	---	530.6	492.1	469.0	443.9	414.4	389.1	384.5	372.9	530.6	414.4
Total	---	548.5	504.3	481.0	457.4	433.2	402.8	398.2	386.4	548.5	433.2
Total	9.4	558.2	514.3	491.3	468.2	444.1	415.3	411.1	399.7	558.2	444.1
Realized gains (losses) on assets available-for-sale											
Related to shareholders' equity	2.2	---	---	---	---	---	---	---	---	---	---
Related to other than shareholders' equity	0.0	---	---	---	---	---	---	---	---	---	---
Total	2.2	---	---	---	---	---	---	---	---	---	---
Amortization of deferred net realized gains (losses)											
Real estate	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.3	0.4	1.2	1.4
Other than real estate											
Related to shareholders' equity	---	0.6	0.6	0.7	1.0	1.2	1.1	---	---	2.9	---
Related to other than shareholders' equity	---	34.8	15.5	5.5	21.5	14.3	9.7	---	---	77.3	---
Total	---	35.4	16.1	6.2	22.5	15.5	10.8	14.5	13.6	80.2	54.4
Total	0.3	35.7	16.4	6.5	22.8	15.8	11.2	14.8	14.0	81.4	55.8
Unrealized and unamortized gains (losses)											
Real estate	83.6	78.7	65.4	67.7	67.0	63.6	39.5	40.3	41.1	78.7	63.6
Other than real estate											
Related to shareholders' equity	---	42.2	36.8	38.0	63.6	66.9	68.4	64.4	48.7	42.2	66.9
Related to other than shareholders' equity	---	1,382.7	1,385.3	891.9	1,384.6	1,452.2	1,411.7	1,453.2	1,046.5	1,382.7	1,452.2
Total	---	1,424.9	1,422.1	929.9	1,448.2	1,519.1	1,480.1	1,517.6	1,095.2	1,424.9	1,519.1
Total	83.6	1,503.6	1,487.5	997.6	1,515.2	1,582.7	1,519.6	1,557.9	1,136.3	1,503.6	1,582.7
Amortization of unrealized gains (losses)											
Real estate	1.9	1.7	1.4	1.5	1.4	1.3	0.6	0.6	0.6	6.0	3.1
Other than real estate											
Related to shareholders' equity	---	2.7	1.5	0.6	2.3	1.4	1.7	---	---	7.1	---
Related to other than shareholders' equity	---	70.4	26.8	(20.8)	43.8	23.3	37.2	---	---	120.2	---
Total	---	73.1	28.3	(20.2)	46.1	24.7	38.9	27.2	6.9	127.3	97.7
Total	1.9	74.8	29.7	(18.7)	47.5	26.0	39.5	27.8	7.5	133.3	100.8

¹ Adoption of the new financial instruments accounting standards. Please refer to note 2 of the financial statements for further details.

CAPITALIZATION

	2007	2006				2005			
	Q1 ¹	Q4	Q3	Q2	Q1	Q4	Q3 ²	Q2	Q1
<i>(in millions of dollars, unless otherwise indicated)</i>									
Solvency ratio									
Available capital									
Tier 1									
Common shares	512.0	507.7	505.8	505.4	513.9	510.6	462.1	461.8	459.1
Preferred shares	125.0	125.0	125.0	125.0	125.0	---	---	---	---
Innovative instruments in Tier 1 capital	157.8	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0
Retained earnings	1,024.7	971.3	927.6	885.7	869.6	845.4	809.8	821.2	786.7
Other	24.8	45.8	39.8	39.4	38.9	38.5	37.6	41.5	39.8
Gross Tier 1 capital	1,844.3	1,799.8	1,748.2	1,705.5	1,697.4	1,544.5	1,459.5	1,474.5	1,435.6
Less:									
Goodwill and other intangible assets	272.8	297.0	364.8	356.3	354.9	354.2	126.5	126.5	124.7
Adjustment for negative reserves	0.0	0.0	0.0	0.0	0.0	0.0	6.3	12.4	18.5
Other	3.5	3.9	3.4	3.2	3.0	2.8	2.7	3.1	3.0
Net Tier 1 capital	1,568.0	1,498.9	1,380.0	1,346.0	1,339.5	1,187.5	1,324.0	1,332.5	1,289.4
Tier 2									
Limited life instruments allowed (subordinated debt) (Tier 2B) ³	154.9	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0
Other (Tier 2C)	24.3	26.1	23.6	9.8	21.0	27.7	31.2	30.2	22.3
Total Tier 2 capital allowed	179.2	176.1	173.6	159.8	171.0	177.7	181.2	180.2	172.3
Total Tier 1 and Tier 2 capital	1,747.2	1,675.0	1,553.6	1,505.8	1,510.5	1,365.2	1,505.2	1,512.7	1,461.7
Less: deductions and adjustments (total of Tier 1 and Tier 2)	47.6	47.5	47.5	42.4	43.0	42.8	34.0	32.2	31.2
Total available capital	1,699.6	1,627.5	1,506.1	1,463.4	1,467.5	1,322.4	1,471.2	1,480.5	1,430.5
Required capital									
Asset default risk and market risk	263.3	262.4	240.0	238.0	239.6	224.9	216.0	216.1	208.7
Insurance risks	450.2	400.7	384.1	378.8	372.4	366.5	360.5	342.0	325.3
Interest rate risks	148.5	146.8	121.9	118.8	116.1	113.1	118.6	115.0	110.8
Total of required capital	862.0	809.9	746.0	735.6	728.1	704.5	695.1	673.1	644.8
Solvency ratio ⁴	197%	201%	202%	199%	202%	188%	212%	220%	222%

¹ Adoption of the new financial instruments accounting standards. Please refer to note 2 of the financial statements for further details.

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

⁴ The solvency ratio is calculated in accordance with capital adequacy requirements.

CAPITALIZATION (continued)

<i>(in millions of dollars, unless otherwise indicated)</i>	2007		2006				2005			
	Q1 ¹	Jan. 01 ²	Q4	Q3	Q2	Q1	Q4	Q3 ³	Q2	Q1
Capital structure										
Subordinated debentures	323.3	323.3	310.1	310.1	310.1	310.1	373.0	310.1	310.1	310.1
Participating policyholders' account	23.8	23.1	23.1	22.0	20.9	20.0	19.7	19.0	18.7	18.2
Equity										
Common shares	512.0	507.7	507.7	505.8	505.4	513.9	510.6	462.1	461.8	459.1
Preferred shares	125.0	125.0	125.0	125.0	125.0	125.0	---	---	---	---
Contributed surplus	15.0	14.6	14.6	14.1	13.3	12.5	12.3	11.5	10.6	10.1
Retained earnings	1,024.7	981.2	971.3	927.6	885.7	869.6	845.4	809.8	821.2	786.7
Accumulated other comprehensive income	22.8	21.4	---	---	---	---	---	---	---	---
Currency translation account	---	---	(6.8)	(7.1)	(7.1)	(7.1)	(7.1)	(5.8)	(5.8)	(5.8)
Total	1,699.5	1,649.9	1,611.8	1,565.4	1,522.3	1,513.9	1,361.2	1,277.6	1,287.8	1,250.1
Total capital structure	2,046.6	1,996.3	1,945.0	1,897.5	1,853.3	1,844.0	1,753.9	1,606.7	1,616.6	1,578.4
Debt measures										
Subordinated debentures/capital structure	15.8%	16.2%	15.9%	16.3%	16.7%	16.8%	21.3%	19.3%	19.2%	19.6%
Subordinated debentures and preferred shares/capital structure	21.9%	22.5%	22.4%	22.9%	23.5%	23.6%	21.3%	19.3%	19.2%	19.6%
Coverage ratio (in number of times) ⁴	12.3	12.1	12.1	12.5	9.9	10.8	11.0	10.5	13.9	13.7
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)yn		bbb+			
Preferred Shares			A-		Pfd-2 (high)n		bbb+			

¹ Adoption of the new financial instruments accounting standards. Please refer to note 2 of the financial statements for further details.

² This information represents the December 31, 2006 numbers adjusted, following the application of the new accounting standards on the financial instruments.

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.

⁴ 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, 2006			Twelve months ended December 31, 2005 ¹			Twelve months ended December 31, 2004		
	Embedded value	Contribution to growth	Embedded value per share	Embedded value	Contribution to growth	Embedded value per share	Embedded value	Contribution to growth	Embedded value per share ²
<i>(in millions of dollars, unless otherwise indicated)</i>									
Embedded value									
Total value	2,448	---	---	2,133	---	---	2,138	---	---
Value per common share	---	---	\$30.64	---	---	\$26.78	---	---	\$26.90
Embedded value/book value ratio (in number of times)	1.65	---	---	1.63	---	---	1.76	---	---
Embedded value added									
Preferred shares conversion (April 2004)	---	---	---	---	---	---	19	1.0%	\$(0.04)
Transfer from the Participating Policyholders' Account	---	---	---	---	---	---	26	1.4%	\$0.33
Other changes to capital structure	6	0.3%	\$(0.02)	---	---	---	---	---	---
Total	6	0.3%	\$(0.02)	---	---	---	45	2.4%	\$0.29
Recurring items									
Expected increase in embedded value	147	6.9%	\$1.86	154	7.2%	\$1.93	143	7.5%	\$1.77
New sales	96	4.5%	\$1.19	80	3.7%	\$1.01	64	3.4%	\$0.80
Total	243	11.4%	\$3.05	234	10.9%	\$2.94	207	10.9%	\$2.57
Non-recurring items									
Experience gains or losses									
Related to equity markets	51	2.4%	\$0.64	37	1.7%	\$0.46	18	0.9%	\$0.23
Other	103	4.8%	\$1.30	(1)	---	\$(0.01)	8	0.4%	\$0.10
Changes in assumptions	(14)	(0.7%)	\$(0.18)	(58)	(2.7%)	\$(0.74)	(10)	(0.6%)	\$(0.13)
Acquisitions ³	(8)	(0.4%)	\$(0.10)	(125)	(5.8%)	\$(1.60)	(33)	(1.7%)	\$(0.41)
Integration of National Life	---	---	---	---	---	---	37	2.0%	\$0.46
Provision for Norshield	---	---	---	(52)	(2.4%)	\$(0.67)	---	---	---
Impact of accounting standards on financial instrument	(18)	(0.8%)	\$(0.23)	---	---	---	---	---	---
Total	114	5.3%	\$1.43	(199)	(9.2%)	\$(2.56)	20	1.0%	\$0.25
Total	363	17.0%	\$4.46	35	1.7%	\$0.38	272	14.3%	\$3.11
Shareholders' dividends	(48)	(2.2%)	\$(0.60)	(40)	(1.9%)	\$(0.50)	(33)	(1.7%)	\$(0.41)
Total of the embedded value added	315	14.8%	\$3.86	(5)	(0.2%)	\$(0.12)	239	12.6%	\$2.70

Embedded value by component

Shareholders' equity									
Book value	1,487			1,309			1,214		
Market value adjustment	37			39			39		
Goodwill	(365)			(354)			(126)		
Total	1,159			994			1,127		
Present value of future operating profits	1,773			1,520			1,327		
Present value of capital cost	(484)			(381)			(316)		
Embedded value	2,448			2,133			2,138		

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 2004 have been recalculated to reflect the two-for-one split of the Company's common shares effective on May 18, 2005.

³ Acquisitions are FundTrade Financial Corporation Inc. in 2006, Clarington Corporation in 2005 and BLC-Edmond de Rothschild Asset Management in 2004.

EMBEDDED VALUE (continued)

	Twelve months ended December 31, 2006	Twelve months ended December 31, 2005	Twelve months ended December 31, 2004
Principal assumptions			
Discount rate	7.25%	7.25%	8.00%
Risk premium	3.0%	3.0%	3.0%
Inflation rate	1.5%	1.5%	2.0%
Sensitivity analysis			
Impact on embedded value			
Risk premium: +1%	(9%)	(9%)	(7%)
Risk premium: -1%	11%	11%	8%
Solvency ratio: from 150% to 175% ¹	(3%)	(4%)	(4%)
Tax rate: -1%	1%	1%	1%
Mortality improvement: if none	(8%)	(7%)	(5%)
Economic assumptions: +1%	7%	6%	4%

<i>(in millions of dollars, unless otherwise indicated)</i>	2007		2006			2005				2006	2005
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual
Embedded value of new sales											
Total value	34.9	25.0	19.4	22.2	28.9	19.1	19.4	18.1	23.6	95.5	80.2
Value per common share (in dollars) ²	\$0.44	\$0.31	\$0.24	\$0.27	\$0.35	\$0.24	\$0.24	\$0.23	\$0.30	\$1.19	\$1.01

¹ The solvency ratio is calculated in accordance with capital adequacy requirements.

² For comparison purposes, the data for 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.

SHARE INFORMATION¹

<i>(in millions of dollars, unless otherwise indicated)</i>	2007		2006			2005				2006	2005
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Annual	Annual
Common shares											
Share price											
High	\$37.44	\$37.28	\$34.40	\$33.24	\$32.98	\$29.75	\$29.82	\$29.50	\$29.75	\$37.28	\$29.82
Low	\$34.25	\$31.31	\$31.26	\$29.52	\$29.14	\$26.81	\$27.86	\$26.55	\$26.62	\$29.14	\$26.55
Close	\$35.51	\$36.14	\$31.91	\$31.92	\$32.05	\$29.07	\$29.13	\$28.27	\$28.00	\$36.14	\$29.07
Number of common shares outstanding (in millions)											
At beginning of period	79.9	79.8	79.8	81.2	81.4	79.7	79.6	79.5	79.5	81.4	79.5
Common shares issued	0.2	0.1	0.0	0.0	0.2	1.7	0.1	0.1	0.0	0.3	1.9
Common shares repurchased and cancelled	0.0	0.0	0.0	(1.4)	(0.4)	0.0	0.0	0.0	0.0	(1.8)	0.0
At end of period	80.1	79.9	79.8	79.8	81.2	81.4	79.7	79.6	79.5	79.9	81.4
Value of common shares repurchased (buybacks)	---	---	---	44.9	13.0	---	---	---	---	57.9	---
Weighted average number of common shares (in millions)											
Basic	80.0	79.9	79.8	80.8	81.5	79.7	79.6	79.6	79.5	80.5	79.6
Diluted	80.9	80.8	80.6	81.5	82.2	80.3	80.2	80.1	80.1	81.3	80.2
Dividends											
Common dividends paid	14.4	12.7	12.8	11.4	11.4	11.1	10.0	10.0	8.7	48.3	39.8
Dividends paid per common share	\$0.180	\$0.160	\$0.160	\$0.140	\$0.140	\$0.140	\$0.125	\$0.125	\$0.110	\$0.600	\$0.500
Dividend payout ratio ²	25%	22%	23%	21%	23%	23%	21%	22%	20%	23%	22%
Dividend yield (annualized) ³	2.0%	1.8%	2.0%	1.8%	1.7%	1.9%	1.7%	1.8%	1.6%	1.7%	1.7%
Stock options											
Number of stock options outstanding (in millions)											
At beginning of period	3.1	3.2	3.2	3.2	2.9	2.9	2.9	3.0	2.6	2.9	2.6
Options issued	0.5	---	---	---	0.5	---	---	---	0.5	0.5	0.5
Options exercised or forfeited	(0.2)	(0.1)	---	---	(0.2)	---	---	(0.1)	(0.1)	(0.3)	(0.2)
At end of period	3.4	3.1	3.2	3.2	3.2	2.9	2.9	2.9	3.0	3.1	2.9
Valuation											
Price-to-earnings multiple (trailing 12 months) ⁴ (in number of times)	12.7	13.6	12.5	13.0	13.6	12.6	13.2	13.0	13.3	13.6	12.6
Market capitalization	2,844.4	2,887.6	2,546.4	2,547.2	2,602.5	2,366.3	2,321.7	2,250.3	2,226.0	2,887.6	2,366.3
Book value per outstanding common share	\$19.66	\$18.61	\$18.05	\$17.51	\$17.10	\$16.72	\$16.03	\$16.18	\$15.72	\$18.61	\$16.72
Market value to book value ratio (in number of times)	1.8	1.9	1.8	1.8	1.9	1.7	1.8	1.7	1.8	1.9	1.7
Total payout ratio (trailing 12 months) ⁵	43%	49%	51%	52%	29%	22%	21%	21%	20%	49%	22%
Capital yield (trailing 12 months) ⁶	3.3%	3.7%	4.1%	4.0%	2.1%	1.7%	1.6%	1.6%	1.5%	3.7%	1.7%
Total return on common shares (trailing 12 months) ⁷	12.8%	26.4%	11.5%	14.8%	16.4%	7.5%	22.3%	26.3%	27.3%	26.4%	7.5%
Preferred shares											
Number of preferred shares outstanding (in thousands)											
Series A (Held in treasury)	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Series B	5,000.0	5,000.0	5,000.0	5,000.0	5,000.0	---	---	---	---	5,000.0	---
Value of preferred shares (Series B)	125.0	125.0	125.0	125.0	125.0	---	---	---	---	125.0	---
Dividends paid per preferred share	\$0.2875	\$0.2875	\$0.2875	\$0.2875	\$0.1118	---	---	---	---	\$0.9743	---

¹ For comparison purposes, the market data for 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 Dividend payout ratio: dividend per common share paid in the period divided by the basic adjusted earnings per common share in the period.

³ Dividend yield: annualized dividend per common share paid in the period divided by the closing price of the common share at the end of the period.

⁴ Price-to-earnings multiple: closing price of the common share at the end of the period divided by the basic adjusted earnings per common share for the last twelve months.

⁵ Total payout ratio: sum of common dividends paid and common shares repurchased (buybacks) over the last twelve months divided by the adjusted net income to common shareholders over the last twelve months.

⁶ Capital yield: sum of common dividends paid and common shares repurchased (buybacks) over the last twelve months divided by the market capitalization at the end of the period.

⁷ Total return on common shares: sum of the dividend per common share paid over the last twelve months and the common share appreciation or depreciation over the same period divided by the closing price of the common share at the beginning of the last twelve month period.

OTHER INFORMATION

<i>(in millions of dollars, unless otherwise indicated)</i>	2007	2006				2005				2006	2005
	Q1 ¹	Q4	Q3	Q2	Q1	Q4	Q3 ²	Q2	Q1	Annual	Annual
General expenses											
General expenses	84.1	81.3	74.5	79.4	78.8	66.2	65.2	72.3	69.4	314.0	273.1
General expenses as a % of total revenues	5.86%	6.38%	6.93%	6.54%	5.73%	6.48%	6.82%	7.34%	6.52%	6.36%	6.78%
Human resources											
Number of employees											
Life insurance companies	2,211	2,192	2,184	2,180	2,142	2,115	2,131	2,137	2,116	2,192	2,115
General insurance company	386	386	378	391	379	367	380	385	380	386	367
Other	251	241	246	241	257	264	140	133	129	241	264
Total	<u>2,848</u>	<u>2,819</u>	<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>2,819</u>	<u>2,746</u>
Number of Career representatives	1,520	1,550	1,473	1,450	1,415	1,445	1,407	1,397	1,386	1,550	1,445
Other											
Gross life insurance in-force (in billions of dollars)	174.3	172.7	169.1	165.5	162.3	160.2	157.1	152.2	150.2	172.7	160.2

¹ Adoption of the new financial instruments accounting standards. Please refer to note 2 of the financial statements for further details.

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.

CONSOLIDATED FINANCIAL STATEMENTS

INCOME STATEMENTS

	2007	2006				2005				2006	2005
	Q1 ¹	Q4	Q3	Q2	Q1	Q4	Q3 ²	Q2	Q1	Annual	Annual
<i>(in millions of dollars, unless otherwise indicated)</i>											
Revenues											
Premiums	1,177.4	907.9	770.1	1,006.9	1,078.1	779.7	788.6	750.5	852.3	3,763.0	3,171.1
Net investment income	170.3	281.2	222.1	133.1	223.6	199.4	125.7	192.1	173.7	860.0	690.9
Fees and other revenues	86.4	84.6	83.6	73.2	73.5	43.2	42.3	42.8	39.1	314.9	167.4
Total	1,434.1	1,273.7	1,075.8	1,213.2	1,375.2	1,022.3	956.6	985.4	1,065.1	4,937.9	4,029.4
Policy benefits and expenses											
Change in provisions for future policy benefits	123.9	279.0	180.8	120.0	156.5	143.9	178.2	115.9	106.8	736.3	544.8
Payments to policyholders and beneficiaries	437.8	410.0	364.0	386.6	430.9	351.7	359.7	347.7	352.6	1,591.5	1,411.7
Net transfer to segregated funds	552.5	266.3	226.4	419.8	488.0	261.5	231.1	259.5	364.0	1,400.5	1,116.1
Dividends, experience refunds and interest on amounts on deposit	9.3	9.0	8.2	3.8	16.2	9.9	6.0	15.2	1.3	37.2	32.4
Commissions	123.7	125.7	123.9	121.5	113.6	101.2	103.2	93.4	90.8	484.7	388.6
Premium and other taxes	14.2	14.7	14.0	14.2	13.4	13.2	13.5	12.3	12.7	56.3	51.7
General expenses	84.1	81.3	74.5	79.4	78.8	66.2	65.2	72.3	69.4	314.0	273.1
Net financing expenses	4.2	4.2	4.3	4.3	5.0	4.3	4.2	4.3	4.2	17.8	17.0
Total	1,349.7	1,190.2	996.1	1,149.6	1,302.4	951.9	961.1	920.6	1,001.8	4,638.3	3,835.4
Income (loss) before income taxes	84.4	83.5	79.7	63.6	72.8	70.4	(4.5)	64.8	63.3	299.6	194.0
Income taxes	(24.4)	(24.5)	(22.5)	2.4	(23.7)	(23.0)	3.4	(19.8)	(20.0)	(68.3)	(59.4)
Net income (loss)	60.0	59.0	57.2	66.0	49.1	47.4	(1.1)	45.0	43.3	231.3	134.6
Less: net income attributable to policyholders	0.7	1.1	1.1	0.9	0.3	0.7	0.3	0.5	0.9	3.4	2.4
Net income (loss) attributable to shareholders	59.3	57.9	56.1	65.1	48.8	46.7	(1.4)	44.5	42.4	227.9	132.2
Less: preferred shareholders dividends	1.4	1.5	1.4	1.4	0.6	---	---	---	---	4.9	---
Net income (loss) attributable to common shareholders	57.9	56.4	54.7	63.7	48.2	46.7	(1.4)	44.5	42.4	223.0	132.2

For comparison purposes, certain previous data have been reclassified.

¹ Adoption of the new financial instruments accounting standards. Please refer to note 2 of the financial statements for further details.

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.

CONSOLIDATED FINANCIAL STATEMENTS

COMPREHENSIVE INCOME

<i>(in millions of dollars, unless otherwise indicated)</i>	2007	2006				2005			
	Q1 ¹	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Comprehensive income statement									
Net income	60.0	---	---	---	---	---	---	---	---
Other comprehensive income, net of income tax:									
Available-for-sale									
Unrealized gains (losses) on assets available-for-sale	2.9	---	---	---	---	---	---	---	---
Reclassification adjustment for gains (losses) included in the net income:									
Bonds	(1.5)	---	---	---	---	---	---	---	---
Stocks	---	---	---	---	---	---	---	---	---
Change in unrealized gains (losses) on assets available-for-sale	1.4	---	---	---	---	---	---	---	---
Currency translation account									
Unrealized gains (losses) on foreign currency translation	---	---	---	---	---	---	---	---	---
Total other comprehensive income	1.4	---	---	---	---	---	---	---	---
Comprehensive income	<u>61.4</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Comprehensive income attributable to shareholders	60.7	---	---	---	---	---	---	---	---
Comprehensive income attributable to participating policyholders	0.7	---	---	---	---	---	---	---	---

DETAIL OF THE ACCUMULATED OTHER COMPREHENSIVE INCOME

Accumulated other comprehensive income (loss)									
Balance at beginning of period	---	---	---	---	---	---	---	---	---
Impact of the new accounting standards	21.4	---	---	---	---	---	---	---	---
Reclassification from net foreign currency translation adjustments	---	---	---	---	---	---	---	---	---
Total other comprehensive income	1.4	---	---	---	---	---	---	---	---
Balance at end of period	<u>22.8</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>

¹ Adoption of the new financial instruments accounting standards. Please refer to note 2 of the financial statements for further details.

CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEETS - GENERAL FUND ASSETS

	2007		2006				2005			
	Q1 ¹	Jan. 01 ²	Q4	Q3	Q2	Q1	Q4	Q3 ³	Q2	Q1
<i>(in millions of dollars, unless otherwise indicated)</i>										
Invested assets										
Bonds	8,428.0	8,358.3	7,189.4	7,097.7	6,872.0	6,738.2	6,619.6	6,659.9	6,344.4	6,188.1
Mortgages	2,517.2	2,460.0	2,457.2	2,432.8	2,447.7	2,423.6	2,420.8	2,457.5	2,476.0	2,478.2
Stocks	1,635.9	1,600.9	1,453.5	1,272.6	1,252.9	1,294.4	1,162.4	1,101.9	1,143.3	1,114.6
Real estate	476.8	451.8	451.8	449.9	447.6	446.0	446.3	447.1	446.2	445.4
Policy loans	263.6	220.3	220.3	216.4	219.6	225.6	182.6	180.5	182.7	196.3
Short-term investments	---	---	---	12.0	5.1	3.0	2.6	13.9	12.8	65.6
Cash and cash equivalents	269.8	371.8	371.8	228.3	226.8	233.7	305.7	176.7	215.1	203.0
Other invested assets	144.2	113.2	112.2	111.4	98.9	96.3	86.9	65.6	64.8	57.1
Total	13,735.5	13,576.3	12,256.2	11,821.1	11,570.6	11,460.8	11,226.9	11,103.1	10,885.3	10,748.3
Goodwill and other intangible assets	365.3	365.3	365.3	364.8	356.3	354.9	354.2	126.5	126.5	124.7
Other assets	522.2	465.3	469.2	483.2	439.0	427.4	391.8	363.1	364.7	348.1
Total	887.5	830.6	834.5	848.0	795.3	782.3	746.0	489.6	491.2	472.8
General fund assets	14,623.0	14,406.9	13,090.7	12,669.1	12,365.9	12,243.1	11,972.9	11,592.7	11,376.5	11,221.1

For comparison purposes, certain previous data have been reclassified.

¹ Adoption of the new financial instruments accounting standards. Please refer to note 2 of the financial statements for further details.

² This information represents the December 31, 2006 numbers adjusted, following the application of the new accounting standards on the financial instruments

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.

CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEETS - GENERAL FUND LIABILITIES AND EQUITY

	2007		2006				2005			
	Q1 ¹	Jan. 01 ²	Q4	Q3	Q2	Q1	Q4	Q3 ³	Q2	Q1
<i>(in millions of dollars, unless otherwise indicated)</i>										
Policy liabilities										
Provisions for future policy benefits	11,369.4	11,245.5	9,446.6	9,157.9	8,977.0	8,857.5	8,701.0	8,558.6	8,380.4	8,264.8
Provisions for dividends to policyholders and experience rating refunds	39.8	38.6	38.6	33.9	45.3	58.5	47.1	46.2	50.2	44.6
Benefits payable and provision for unreported claims	165.5	146.6	146.6	150.3	153.9	153.6	144.7	145.9	136.4	131.2
Policyholders' amounts on deposit	178.8	175.2	175.2	175.3	163.0	162.9	164.4	164.2	170.2	165.8
Total	11,753.5	11,605.9	9,807.0	9,517.4	9,339.2	9,232.5	9,057.2	8,914.9	8,737.2	8,606.4
Deferred net realized gains										
Related to actuarial liabilities	3.9	4.0	534.6	496.2	473.2	447.4	418.0	393.4	389.0	377.5
Related to equity	5.5	5.7	23.6	18.1	18.1	20.8	26.1	21.9	22.1	22.2
Total	9.4	9.7	558.2	514.3	491.3	468.2	444.1	415.3	411.1	399.7
Other liabilities										
Mortgage debt	33.5	25.5	25.5	25.7	26.0	26.3	26.5	26.8	38.1	38.4
Future income tax liability	305.7	303.2	285.7	279.6	263.8	278.4	265.5	246.6	263.5	237.6
Other	474.3	466.3	469.3	434.6	392.3	393.7	425.7	382.4	310.0	360.6
Total	813.5	795.0	780.5	739.9	682.1	698.4	717.7	655.8	611.6	636.6
Subordinated debentures	323.3	323.3	310.1	310.1	310.1	310.1	373.0	310.1	310.1	310.1
Participating policyholders' account	23.8	23.1	23.1	22.0	20.9	20.0	19.7	19.0	18.7	18.2
Equity										
Share capital										
Common shares	512.0	507.7	507.7	505.8	505.4	513.9	510.6	462.1	461.8	459.1
Preferred shares	125.0	125.0	125.0	125.0	125.0	125.0	---	---	---	---
Total	637.0	632.7	632.7	630.8	630.4	638.9	510.6	462.1	461.8	459.1
Contributed surplus	15.0	14.6	14.6	14.1	13.3	12.5	12.3	11.5	10.6	10.1
Retained earnings	1,024.7	981.2	971.3	927.6	885.7	869.6	845.4	809.8	821.2	786.7
Currency translation account	---	---	(6.8)	(7.1)	(7.1)	(7.1)	(7.1)	(5.8)	(5.8)	(5.8)
Accumulated other comprehension income	22.8	21.4	---	---	---	---	---	---	---	---
Total	1,699.5	1,649.9	1,611.8	1,565.4	1,522.3	1,513.9	1,361.2	1,277.6	1,287.8	1,250.1
General fund liabilities and equity	14,623.0	14,406.9	13,090.7	12,669.1	12,365.9	12,243.1	11,972.9	11,592.7	11,376.5	11,221.1

For comparison purposes, certain previous data have been reclassified.

¹ Adoption of the new financial instruments accounting standards. Please refer to note 2 of the financial statements for further details.

² This information represents the December 31, 2006 numbers adjusted, following the application of the new accounting standards on the financial instruments

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.

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 period.

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

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.

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.

OCI – Other comprehensive income.

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) excluding the accumulated other comprehensive income – Ratio, expressed as a percentage, obtained by dividing the consolidated net income attributable to common shareholders by the average common shareholders' equity for the period, excluding the accumulated other comprehensive income and excluding common shares held in treasury. Since January 1, 2007, the currency translation account has been included in the accumulated other comprehensive income.

Return on common shareholders' equity (ROE) including the accumulated other comprehensive income – Ratio, expressed as a percentage, obtained by dividing the consolidated net income attributable to common shareholders by the average common shareholders' equity for the period, including the accumulated other comprehensive income and excluding common shares held in treasury. Since January 1, 2007, the currency translation account has been included in the accumulated other comprehensive income.

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.

Solvency ratio – 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.

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.