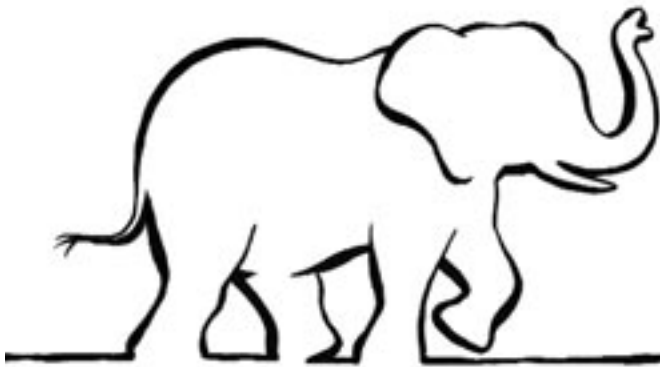


**Rolling Nine Quarters  
Financial Information Package**

(unaudited data)

September 30, 2004 (Third Quarter)



IN LINE WITH YOUR LIFE®

  
**INDUSTRIAL ALLIANCE**  
INSURANCE AND FINANCIAL SERVICES INC.

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**HIGHLIGHTS**

<i>(in millions of dollars, unless otherwise indicated)</i>	Three months ended September 30			Nine months ended September 30			Twelve months ended
	2004	2003	Variation	2004	2003	Variation	December 31, 2003
<b>PROFITABILITY</b>							
Net income attributable to shareholders by line of business <sup>1</sup>							
Individual Insurance	19.4	18.4	5%	57.2	53.3	7%	72.2
Individual Annuities	8.4	7.1	18%	25.4	21.0	21%	29.7
Group Insurance	11.2	6.0	87%	25.6	14.1	82%	19.5
Group Pensions	3.8	4.8	(21%)	11.1	11.0	1%	13.6
Total	42.8	36.3	18%	119.3	99.4	20%	135.0
Return on common shareholders' equity							
Quarter annualized	15.3%	14.8%	---	---	---	---	---
Last 12 months	---	---	---	14.5%	14.1%	---	14.3%
Earnings per share							
Basic	\$1.08	\$0.92	\$0.16	\$3.01	\$2.56	\$0.45	\$3.47
Diluted	\$1.07	\$0.92	\$0.15	\$3.00	\$2.53	\$0.47	\$3.42
<b>BUSINESS GROWTH</b>							
Sales by line of business							
Individual Insurance <sup>2</sup>	35.6	30.5	17%	100.3	91.8	9%	128.7
Individual Annuities <sup>3</sup>	184.2	135.4	36%	709.3	500.5	42%	658.7
Group Insurance <sup>4</sup>							
Employee plans	14.9	8.5	75%	47.7	43.6	9%	53.3
Creditor insurance	37.5	40.2	(7%)	100.2	100.4	0%	130.1
Group Pensions <sup>5</sup>	107.8	71.1	52%	332.4	419.9	(21%)	556.4
Premiums by line of business							
Individual Insurance	182.4	168.2	8%	540.9	507.0	7%	683.4
Individual Annuities	184.2	135.4	36%	709.3	500.5	42%	658.7
Group Insurance	162.7	158.2	3%	474.6	446.6	6%	603.0
Group Pensions	107.8	71.1	52%	332.4	419.9	(21%)	556.4
General insurance	22.0	16.9	30%	60.9	47.1	29%	65.2
Total	659.1	549.8	20%	2,118.1	1,921.1	10%	2,566.7
Assets under management and administration	25,533.0	18,578.3	37%	25,533.0	18,578.3	37%	19,573.5

<sup>1</sup> The income of the different lines of business, for 2003, would have been the following if we exclude the impact of the government assistance program for major investment projects and the equivalent increase in reserves (the net impact on the net income is nil): Individual Insurance: 18.4 (Q3) and 55.9 (YTD); Individual Annuities: 7.1 (Q3) and 20.0 (YTD); Group Insurance: 6.0 (Q3) and 13.0 (YTD); Group Pensions: 4.8 (Q3) and 10.5 (YTD).

<sup>2</sup> Individual Insurance sales (new business) are defined as follows: first year annualized premiums.

<sup>3</sup> Individual Annuity sales (new business) are defined as follows: accounting premiums for the general funds and for the segregated funds.

<sup>4</sup> Group Insurance sales (new business) are defined as follows: for employee plans: first year annualized premiums, including administrative services only contracts (ASO); and for creditor insurance: gross premiums before reinsurance (single premiums).

<sup>5</sup> Group Pensions sales (new business) are defined as follows: accounting premiums for the general funds and for the segregated funds.

**HIGHLIGHTS** (continued)

<i>(in millions of dollars, unless otherwise indicated)</i>	<b>September 30, 2004</b>	<b>June 30, 2004</b>	<b>December 31, 2003</b>	<b>September 30, 2003</b>
<b>QUALITY OF INVESTMENTS</b>				
Impaired investments and provisions (excluding insured loans)				
Net impaired investments	9.2	15.5	19.8	20.4
Net impaired investments as a % of total investments	0.09%	0.15%	0.20%	0.21%
Provisions	39.3	40.1	40.7	41.2
Provisions as a % of gross impaired investments	81.0%	72.1%	67.3%	66.9%
Bonds				
Rated BB and lower	0.09%	0.09%	0.13%	0.09%
Delinquency rate	0.02%	0.02%	0.03%	0.03%
Mortgages				
Delinquency rate	0.37%	0.64%	0.86%	0.87%
Proportion of delinquent loans which are insured	76.7%	42.0%	42.2%	42.6%
Stocks: market value/book value	103.1%	103.4%	102.9%	100.7%
Real estate: occupancy rate	96.9%	96.7%	93.9%	92.7%
<b>SOLVENCY RATIO</b>				
Capitalization (MCCSR)	229%	227%	221%	214%

**PROFITABILITY**

<i>(in millions of dollars, unless otherwise indicated)</i>	2004			2003				2002		2004	2003	2003	2002
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	YTD	YTD	Annual	Annual
<b>Profit</b>													
Net income	43.7	41.1	37.3	38.3	36.9	35.8	29.3	33.3	29.9	122.1	102.0	140.3	103.5
Net income attributable to participating policyholders	0.9	1.2	0.7	2.7	0.6	1.1	0.9	3.5	1.3	2.8	2.6	5.3	6.1
Net income attributable to shareholders	42.8	39.9	36.6	35.6	36.3	34.7	28.4	29.8	28.6	119.3	99.4	135.0	97.4
Provision for Teleglobe	---	---	---	---	---	---	---	---	---	---	---	---	19.4
Net income attributable to shareholders, adjusted	42.8	39.9	36.6	35.6	36.3	34.7	28.4	29.8	28.6	119.3	99.4	135.0	116.8
<b>Return on common shareholders' equity</b>													
Return on common shareholders' equity													
Quarter annualized	15.3%	14.7%	13.9%	14.1%	14.8%	15.1%	13.0%	14.1%	13.8%	---	---	---	---
Last 12 months	14.5%	14.3%	14.7%	14.3%	14.1%	13.6%	14.1%	11.8%	12.0%	14.5%	14.1%	14.3%	11.8%
Return on common shareholders' equity, adjusted													
Quarter annualized	15.3%	14.7%	13.9%	14.1%	14.8%	15.1%	13.0%	14.1%	13.8%	---	---	---	---
Last 12 months	14.5%	14.3%	14.7%	14.3%	14.1%	13.6%	14.1%	14.0%	14.3%	14.5%	14.1%	14.3%	14.0%
<b>Earnings per share</b>													
Earnings per share													
Basic	\$1.08	\$1.00	\$0.93	\$0.91	\$0.92	\$0.88	\$0.75	\$0.79	\$0.75	\$3.01	\$2.56	\$3.47	\$2.57
Diluted	\$1.07	\$1.00	\$0.92	\$0.90	\$0.92	\$0.88	\$0.73	\$0.79	\$0.75	\$3.00	\$2.53	\$3.42	\$2.57
Earnings per share, adjusted													
Basic	\$1.08	\$1.00	\$0.93	\$0.91	\$0.92	\$0.88	\$0.75	\$0.79	\$0.75	\$3.01	\$2.56	\$3.47	\$3.09
Diluted	\$1.07	\$1.00	\$0.92	\$0.90	\$0.92	\$0.88	\$0.73	\$0.79	\$0.75	\$3.00	\$2.53	\$3.42	\$3.09
<b>Net income attributable to shareholders by line of business<sup>1</sup></b>													
Individual Insurance	19.4	19.2	18.6	18.9	18.4	15.5	19.4	18.8	16.2	57.2	53.3	72.2	50.6
Individual Annuities	8.4	9.3	7.7	8.7	7.1	10.6	3.3	4.7	3.7	25.4	21.0	29.7	18.2
Group Insurance	11.2	7.7	6.7	5.4	6.0	5.1	3.0	2.7	5.8	25.6	14.1	19.5	18.4
Group Pensions	3.8	3.7	3.6	2.6	4.8	3.5	2.7	3.6	2.9	11.1	11.0	13.6	10.2
Total	42.8	39.9	36.6	35.6	36.3	34.7	28.4	29.8	28.6	119.3	99.4	135.0	97.4
<b>Net income attributable to shareholders by line of business, adjusted<sup>1</sup></b>													
Individual Insurance	19.4	19.2	18.6	18.9	18.4	15.5	19.4	18.8	16.2	57.2	53.3	72.2	67.1
Individual Annuities	8.4	9.3	7.7	8.7	7.1	10.6	3.3	4.7	3.7	25.4	21.0	29.7	18.5
Group Insurance	11.2	7.7	6.7	5.4	6.0	5.1	3.0	2.7	5.8	25.6	14.1	19.5	18.8
Group Pensions	3.8	3.7	3.6	2.6	4.8	3.5	2.7	3.6	2.9	11.1	11.0	13.6	12.4
Total	42.8	39.9	36.6	35.6	36.3	34.7	28.4	29.8	28.6	119.3	99.4	135.0	116.8

<sup>1</sup> The income of the different lines of business, for 2003, would have been the following if we exclude the impact of the government assistance program for major investment projects and the equivalent increase in reserves (the net impact on the net income is nil): Individual Insurance: 18.4 (Q3) and 55.9 (YTD); Individual Annuities: 7.1 (Q3) and 20.0 (YTD); Group Insurance: 6.0 (Q3) and 13.0 (YTD); Group Pensions: 4.8 (Q3) and 10.5 (YTD).

**SOURCES OF EARNINGS BY LINE OF BUSINESS**

	2004			2003				2002		2004	2003	2003	2003	2002	2002	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	YTD	YTD	YTD	Annual	Annual	Annual	
	Adjusted <sup>1</sup>										Adjusted <sup>1</sup>		Excluding Telelobe			
<i>(in millions of dollars, unless otherwise indicated)</i>																
<b>Individual Insurance</b>																
Operating profit																
Expected profit from in-force	36.7	36.6	36.3	31.6	31.3	31.7	31.7	32.1	27.1	27.1	109.6	95.1	95.1	126.7	108.0	108.0
Experience gain (loss)	0.3	0.3	0.4	(0.3)	1.9	2.4	2.4	5.7	4.1	1.8	1.0	10.0	10.0	9.7	(7.5)	15.2
Gain (strain) on sales	(18.8)	(18.0)	(15.9)	(14.6)	(14.4)	(15.6)	(15.6)	(13.1)	(12.0)	(12.4)	(52.7)	(43.1)	(43.1)	(57.7)	(52.9)	(52.9)
Changes in assumptions <sup>2</sup>	0.0	0.0	0.0	3.9	0.0	(8.2)	0.0	0.0	2.9	0.0	0.0	(8.2)	0.0	(4.3)	2.9	2.9
Total	18.2	18.9	20.8	20.6	18.8	10.3	18.5	24.7	22.1	16.5	57.9	53.8	62.0	74.4	50.5	73.2
Income on capital	9.5	8.9	6.6	7.3	7.3	7.5	7.5	4.5	4.9	4.4	25.0	19.3	19.3	26.6	17.9	18.9
Other income <sup>3</sup>	0.0	0.0	0.0	0.0	0.0	4.9	0.0	0.0	0.0	0.0	0.0	4.9	0.0	4.9	0.0	0.0
Income taxes	(8.3)	(8.6)	(8.8)	(6.5)	(7.7)	(7.2)	(7.9)	(9.8)	(8.2)	(4.7)	(25.7)	(24.7)	(25.4)	(31.2)	(17.8)	(25.0)
Other item <sup>4</sup>	0.0	0.0	0.0	(2.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(2.5)	0.0	0.0
Net income	19.4	19.2	18.6	18.9	18.4	15.5	18.1	19.4	18.8	16.2	57.2	53.3	55.9	72.2	50.6	67.1
<b>Individual Annuities</b>																
Operating profit																
Expected profit from in-force	12.1	11.4	10.7	10.4	10.5	10.5	10.5	10.5	10.7	10.4	34.2	31.5	31.5	41.9	42.1	42.1
Experience gain (loss)	(0.3)	0.9	1.2	2.1	(0.2)	1.0	1.0	(3.8)	(4.9)	(5.9)	1.8	(3.0)	(3.0)	(0.9)	(18.2)	(18.2)
Gain (strain) on sales	(2.8)	(2.3)	(3.4)	(3.1)	(2.4)	(2.2)	(2.2)	(3.1)	(2.0)	(1.2)	(8.5)	(7.7)	(7.7)	(10.8)	(5.8)	(5.8)
Changes in assumptions	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.3	0.1	0.1
Total	9.0	10.0	8.5	9.7	7.9	9.3	9.3	3.6	3.9	3.3	27.5	20.8	20.8	30.5	18.2	18.2
Income on capital	3.3	3.4	2.9	3.5	3.4	3.7	3.7	1.1	2.0	1.7	9.6	8.2	8.2	11.7	6.9	7.3
Other income <sup>3</sup>	0.0	0.0	0.0	0.0	0.0	1.5	0.0	0.0	0.0	0.0	0.0	1.5	0.0	1.5	0.0	0.0
Income taxes	(3.9)	(4.1)	(3.7)	(4.0)	(4.2)	(3.9)	(3.4)	(1.4)	(1.2)	(1.3)	(11.7)	(9.5)	(9.0)	(13.5)	(6.9)	(7.0)
Other item <sup>4</sup>	0.0	0.0	0.0	(0.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.5)	0.0	0.0
Net income	8.4	9.3	7.7	8.7	7.1	10.6	9.6	3.3	4.7	3.7	25.4	21.0	20.0	29.7	18.2	18.5
<b>Group Insurance</b>																
Operating profit																
Expected profit from in-force	7.7	6.6	5.3	5.9	5.5	5.1	5.1	4.7	4.5	3.8	19.6	15.3	15.3	21.2	14.4	14.4
Experience gain (loss)	6.8	2.8	3.7	0.5	1.0	1.2	1.2	(1.4)	(1.1)	3.1	13.3	0.8	0.8	1.3	9.3	9.7
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	0.0	0.0	0.0
Changes in assumptions	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0	(0.4)	0.0	0.0	0.0	0.0	0.3	(0.4)	(0.4)
Total	14.5	9.4	9.0	6.7	6.5	6.3	6.3	3.3	3.0	6.9	32.9	16.1	16.1	22.8	23.3	23.7
Income on capital	2.0	1.9	1.4	1.4	1.3	1.5	1.5	0.9	1.1	0.5	5.3	3.7	3.7	5.1	3.7	3.9
Other income <sup>3</sup>	0.0	0.0	0.0	0.0	0.0	1.6	0.0	0.0	0.0	0.0	0.0	1.6	0.0	1.6	0.0	0.0
Income taxes	(5.3)	(3.6)	(3.7)	(2.6)	(1.8)	(4.3)	(3.8)	(1.2)	(1.4)	(1.6)	(12.6)	(7.3)	(6.8)	(9.9)	(8.6)	(8.8)
Other item <sup>4</sup>	0.0	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.1)	0.0	0.0
Net income	11.2	7.7	6.7	5.4	6.0	5.1	4.0	3.0	2.7	5.8	25.6	14.1	13.0	19.5	18.4	18.8

<sup>1</sup> Data have been adjusted to exclude the impact of the government assistance for major investment projects and the equivalent increase in reserves.

<sup>2</sup> In Q2-2003, management decided to provision the equivalent of the amount accounted for under the government assistance program (6.0 net of tax).

<sup>3</sup> In Q2-2003, other income corresponds, for the total company, to the 8.7 (6.0 net of tax) government assistance and the recapture of ceded business equal to -1.6 (-1.2 net of tax).

<sup>4</sup> In Q4-2003, the other item represents the net effect of the corporate income tax rate increase in Ontario applied to future tax liabilities.

**SOURCES OF EARNINGS BY LINE OF BUSINESS (continued)**

	2004			2003					2002		2004	2003	2003	2003	2002	2002
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	YTD	YTD	YTD	Annual	Annual	Annual	Excluding Telelobe
	Adjusted <sup>1</sup>								Adjusted <sup>1</sup>							
<i>(in millions of dollars, unless otherwise indicated)</i>																
<b>Group Pensions</b>																
Operating profit																
Expected profit from in-force	2.7	2.7	2.3	2.8	2.8	2.3	2.3	1.5	4.2	4.2	7.7	6.6	6.6	9.4	15.4	15.4
Experience gain (loss)	(0.2)	(0.1)	0.7	(0.8)	1.3	1.7	1.7	0.7	(0.7)	(2.6)	0.4	3.7	3.7	2.9	(8.2)	(5.4)
Gain (strain) on sales	(0.1)	(0.2)	0.0	(0.2)	(0.3)	(0.4)	(0.4)	0.0	(0.5)	0.0	(0.3)	(0.7)	(0.7)	(0.9)	(0.9)	(0.9)
Changes in assumptions	0.0	0.0	0.0	(1.0)	0.0	0.0	0.0	0.0	(0.6)	0.0	0.0	0.0	0.0	(1.0)	(0.6)	(0.6)
Total	2.4	2.4	3.0	0.8	3.8	3.6	3.6	2.2	2.4	1.6	7.8	9.6	9.6	10.4	5.7	8.5
Income on capital	2.8	2.6	2.0	2.2	2.4	2.5	2.5	1.5	1.7	1.9	7.4	6.4	6.4	8.6	6.6	7.0
Other income <sup>3</sup>	0.0	0.0	0.0	0.0	0.0	(0.9)	(1.6)	0.0	0.0	0.0	0.0	(0.9)	(1.6)	(0.9)	0.0	0.0
Income taxes	(1.4)	(1.3)	(1.4)	(0.4)	(1.4)	(1.7)	(1.5)	(1.0)	(0.5)	(0.6)	(4.1)	(4.1)	(3.9)	(4.5)	(2.1)	(3.1)
Other item <sup>4</sup>	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	0.0	0.0	0.0
Net income	3.8	3.7	3.6	2.6	4.8	3.5	3.0	2.7	3.6	2.9	11.1	11.0	10.5	13.6	10.2	12.4
<b>Total company</b>																
Operating profit																
Expected profit from in-force	59.2	57.3	54.6	50.7	50.1	49.6	49.6	48.8	46.5	45.5	171.1	148.5	148.5	199.2	179.9	179.9
Experience gain (loss)	6.6	3.9	6.0	1.5	4.0	6.3	6.3	1.2	(2.6)	(3.6)	16.5	11.5	11.5	13.0	(24.6)	1.3
Gain (strain) on sales	(21.7)	(20.5)	(19.3)	(17.9)	(17.1)	(18.2)	(18.2)	(16.2)	(14.5)	(13.6)	(61.5)	(51.5)	(51.5)	(69.4)	(59.6)	(59.6)
Changes in assumptions <sup>2</sup>	0.0	0.0	0.0	3.5	0.0	(8.2)	0.0	0.0	2.0	0.0	0.0	(8.2)	0.0	(4.7)	2.0	2.0
Total	44.1	40.7	41.3	37.8	37.0	29.5	37.7	33.8	31.4	28.3	126.1	100.3	108.5	138.1	97.7	123.6
Income on capital	17.6	16.8	12.9	14.4	14.4	15.2	15.2	8.0	9.7	8.5	47.3	37.6	37.6	52.0	35.1	37.1
Other income <sup>3</sup>	0.0	0.0	0.0	0.0	0.0	7.1	(1.6)	0.0	0.0	0.0	0.0	7.1	(1.6)	7.1	0.0	0.0
Income taxes	(18.9)	(17.6)	(17.6)	(13.5)	(15.1)	(17.1)	(16.6)	(13.4)	(11.3)	(8.2)	(54.1)	(45.6)	(45.1)	(59.1)	(35.4)	(43.9)
Other item <sup>4</sup>	0.0	0.0	0.0	(3.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(3.1)	0.0	0.0
Net income	42.8	39.9	36.6	35.6	36.3	34.7	34.7	28.4	29.8	28.6	119.3	99.4	99.4	135.0	97.4	116.8

<sup>1</sup> Data have been adjusted to exclude the impact of the government assistance for major investment projects and the equivalent increase in reserves.

<sup>2</sup> In Q2-2003, management decided to provision the equivalent of the amount accounted for under the government assistance program (6.0 net of tax).

<sup>3</sup> In Q2-2003, other income corresponds, for the total company, to the 8.7 (6.0 net of tax) government assistance and the recapture of ceded business equal to -1.6 (-1.2 net of tax).

<sup>4</sup> In Q4-2003, the other item represents the net effect of the corporate income tax rate increase in Ontario applied to future tax liabilities.

**BUSINESS GROWTH**

<i>(in millions of dollars, unless otherwise indicated)</i>	2004			2003				2002		2004	2003	2003	2002
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	YTD	YTD	Annual	Annual
<b>Revenues</b>													
Premiums													
General funds	455.1	444.7	476.5	463.5	421.2	403.4	436.6	422.1	389.9	1,376.3	1,261.2	1,724.7	1,580.5
Segregated funds	204.0	212.9	324.9	182.1	128.6	116.0	415.3	103.7	103.8	741.8	659.9	842.0	756.7
Total	659.1	657.6	801.4	645.6	549.8	519.4	851.9	525.8	493.7	2,118.1	1,921.1	2,566.7	2,337.2
Net investment income													
Investment income	144.1	147.6	147.1	151.3	144.5	142.6	136.1	137.5	138.1	438.8	423.2	574.5	557.4
Realized and unrealized gains (losses)	(4.7)	20.6	33.7	62.1	30.0	49.0	(38.2)	42.6	(64.0)	49.6	40.8	102.9	(78.3)
Change in provision for losses	0.7	0.0	0.1	0.0	(0.1)	0.0	0.0	(0.1)	0.1	0.8	(0.1)	(0.1)	(28.9)
Total	140.1	168.2	180.9	213.4	174.4	191.6	97.9	180.0	74.2	489.2	463.9	677.3	450.2
Fees and other income	36.2	35.0	34.6	30.7	26.7	25.1	25.2	25.0	23.1	105.8	77.0	107.7	95.3
Total revenues	835.4	860.8	1,016.9	889.7	750.9	736.1	975.0	730.8	591.0	2,713.1	2,462.0	3,351.7	2,882.7
<b>Individual Insurance</b>													
Sales <sup>1</sup>	35.6	34.1	30.6	36.9	30.5	31.9	29.4	35.8	30.3	100.3	91.8	128.7	133.3
Premiums	182.4	178.6	179.9	176.4	168.2	170.0	168.8	168.3	164.3	540.9	507.0	683.4	663.9
<b>Individual Annuities</b>													
Sales (premiums) <sup>2</sup>													
General funds	54.4	51.6	78.4	48.5	48.8	43.2	87.4	59.1	40.8	184.4	179.4	227.9	198.7
Segregated funds	129.8	148.2	246.9	109.7	86.6	79.8	154.7	69.6	65.1	524.9	321.1	430.8	392.0
Total	184.2	199.8	325.3	158.2	135.4	123.0	242.1	128.7	105.9	709.3	500.5	658.7	590.7
Net sales (premiums less surrenders)													
Segregated funds	51.2	79.2	150.3	33.8	15.3	14.4	54.0	10.8	5.9	280.7	83.7	117.5	152.1
Funds under management													
General funds	1,791.5	1,785.2	1,796.1	1,775.3	1,810.3	1,791.6	1,786.2	1,737.5	1,713.3	1,791.5	1,810.3	1,775.3	1,737.5
Segregated funds	3,637.8	3,570.6	3,509.1	3,261.5	3,018.0	2,895.8	2,705.3	2,795.2	2,672.6	3,637.8	3,018.0	3,261.5	2,795.2
Total	5,429.3	5,355.8	5,305.2	5,036.8	4,828.3	4,687.4	4,491.5	4,532.7	4,385.9	5,429.3	4,828.3	5,036.8	4,532.7
<b>Group Insurance</b>													
Sales <sup>3</sup>													
Employee benefit plans <sup>4</sup>	14.9	11.2	21.6	9.7	8.5	12.3	22.8	55.5	9.9	47.7	43.6	53.3	92.4
Creditor insurance	37.5	38.1	24.6	29.7	40.2	34.9	25.3	29.6	36.9	100.2	100.4	130.1	124.5
Premiums and premium equivalents													
Employee benefit plans	112.2	110.3	112.8	113.0	106.1	104.2	102.7	106.1	94.5	335.3	313.0	426.0	378.6
Creditor insurance	31.9	31.8	19.1	23.8	34.2	28.8	18.7	23.0	29.7	82.8	81.7	105.5	98.7
Special Markets Group (SMG)	18.6	17.8	20.1	19.6	17.9	15.6	18.4	18.9	23.9	56.5	51.9	71.5	65.7
Total premiums	162.7	159.9	152.0	156.4	158.2	148.6	139.8	148.0	148.1	474.6	446.6	603.0	543.0
ASO	23.5	24.0	23.9	24.2	24.2	25.7	25.1	16.8	8.6	71.4	75.0	99.2	43.9
Total	186.2	183.9	175.9	180.6	182.4	174.3	164.9	164.8	156.7	546.0	521.6	702.2	586.9

<sup>1</sup> Individual insurance sales (new business) are defined as follows: first year annualized premiums.

<sup>2</sup> Individual annuity sales (new business) are defined as follows: accounting premiums for the general funds and for the segregated funds.

<sup>3</sup> Group Insurance sales (new business) are defined as follows: for employee plans: first year annualized premiums, including administrative services only contracts (ASO); and for creditor insurance: gross premiums before reinsurance (single premiums).

<sup>4</sup> The sales include 50.9 for the Bombardier contract mainly attributable to Q4-2002.

**BUSINESS GROWTH** (continued)

(in millions of dollars, unless otherwise indicated)	2004			2003				2002		2004	2003	2003	2002
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	YTD	YTD	Annual	Annual
<b>Group Pensions</b>													
Sales (premiums) <sup>1</sup>													
Accumulation contracts													
General funds	7.4	13.9	17.0	6.9	8.1	4.7	15.6	9.4	10.2	38.3	28.4	35.3	40.7
Segregated funds <sup>2</sup>	74.2	64.7	78.0	72.4	42.0	36.2	260.6	34.1	38.7	216.9	338.8	411.2	364.7
Total	81.6	78.6	95.0	79.3	50.1	40.9	276.2	43.5	48.9	255.2	367.2	446.5	405.4
Insured annuities (general funds)	26.2	20.7	30.3	57.2	21.0	21.2	10.5	23.3	14.1	77.2	52.7	109.9	86.0
Total	107.8	99.3	125.3	136.5	71.1	62.1	286.7	66.8	63.0	332.4	419.9	556.4	491.4
<b>Funds under management/administration</b>													
Accumulation contracts													
General funds	159.6	161.3	164.3	162.5	162.9	161.5	159.5	153.7	151.3	159.6	162.9	162.5	153.7
Segregated funds	1,782.3	1,724.3	1,728.7	1,599.6	1,487.6	1,417.7	1,315.9	1,143.8	1,072.9	1,782.3	1,487.6	1,599.6	1,143.8
Other	34.9	34.1	35.9	36.8	41.8	41.4	38.5	35.1	33.2	34.9	41.8	36.8	35.1
Total	1,976.8	1,919.7	1,928.9	1,798.9	1,692.3	1,620.6	1,513.9	1,332.6	1,257.4	1,976.8	1,692.3	1,798.9	1,332.6
Insured annuities (general funds)	1,930.4	1,920.5	1,917.6	1,905.1	1,858.5	1,856.5	1,644.8	1,652.3	1,643.1	1,930.4	1,858.5	1,905.1	1,652.3
Total	3,907.2	3,840.2	3,846.5	3,704.0	3,550.8	3,477.1	3,158.7	2,984.9	2,900.5	3,907.2	3,550.8	3,704.0	2,984.9
<b>Premiums by lines of business</b>													
Individual Insurance	182.4	178.6	179.9	176.4	168.2	170.0	168.8	168.3	164.3	540.9	507.0	683.4	663.9
Individual Annuities	184.2	199.8	325.3	158.2	135.4	123.0	242.1	128.7	105.9	709.3	500.5	658.7	590.7
Group Insurance	162.7	159.9	152.0	156.4	158.2	148.6	139.8	148.0	148.1	474.6	446.6	603.0	543.0
Group Pensions	107.8	99.3	125.3	136.5	71.1	62.1	286.7	66.8	63.0	332.4	419.9	556.4	491.4
General insurance	22.0	20.0	18.9	18.1	16.9	15.7	14.5	14.0	12.4	60.9	47.1	65.2	48.2
Total	659.1	657.6	801.4	645.6	549.8	519.4	851.9	525.8	493.7	2,118.1	1,921.1	2,566.7	2,337.2
<b>Distribution of premiums by region</b>													
Atlantic provinces	3.4%	3.5%	3.7%	3.4%	3.4%	3.1%	2.4%	3.7%	3.6%	3.4%	3.4%	3.4%	3.7%
Quebec	50.7%	50.8%	52.2%	53.1%	55.4%	57.4%	62.9%	54.9%	57.1%	50.7%	55.4%	53.1%	54.9%
Ontario	24.8%	24.4%	21.8%	23.7%	21.9%	21.4%	18.7%	21.9%	20.5%	24.8%	21.9%	23.7%	21.9%
Western provinces	18.4%	18.5%	19.8%	17.2%	16.6%	15.6%	14.1%	17.3%	16.7%	18.4%	16.6%	17.2%	17.3%
Outside Canada	2.7%	2.8%	2.5%	2.6%	2.7%	2.5%	1.9%	2.2%	2.1%	2.7%	2.7%	2.6%	2.2%
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%
<b>Assets under management/administration</b>													
Assets under management													
General funds	10,861.9	10,699.5	10,650.4	10,307.6	10,191.5	9,848.7	9,432.5	9,289.2	9,148.2	10,861.9	10,191.5	10,307.6	9,289.2
Segregated funds	5,549.2	5,439.4	5,385.7	5,042.2	4,706.9	4,512.4	4,228.7	4,173.5	3,967.5	5,549.2	4,706.9	5,042.2	4,173.5
Other	96.3	93.3	95.7	94.1	---	---	---	---	---	96.3	---	94.1	---
Total	16,507.4	16,232.2	16,131.8	15,443.9	14,898.4	14,361.1	13,661.2	13,462.7	13,115.7	16,507.4	14,898.4	15,443.9	13,462.7
Assets under administration	9,025.6	8,489.0	4,396.6	4,129.6	3,679.9	3,508.5	3,451.0	3,298.2	3,142.0	9,025.6	3,679.9	4,129.6	3,298.2
Total	25,533.0	24,721.2	20,528.4	19,573.5	18,578.3	17,869.6	17,112.2	16,760.9	16,257.7	25,533.0	18,578.3	19,573.5	16,760.9

<sup>1</sup> Group Pensions sales (new business) are defined as follows: accounting premiums for the general funds and for the segregated funds.

<sup>2</sup> In Q1-2003, a 187.5 (213.2 in Q1-2002) transfer was recorded further to an agreement with National Bank Trust (NBT).

<b>INVESTED ASSETS</b>									
<i>(in millions of dollars, unless otherwise indicated)</i>	2004			2003				2002	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<b>Value and distribution of investments</b>									
Book value of investments	10,404.8	10,248.6	10,190.8	9,925.5	9,759.1	9,420.3	9,026.2	8,934.9	8,766.6
Market value of investments	11,279.4	10,945.9	11,271.1	10,893.7	10,784.1	10,476.4	9,694.5	9,751.8	9,076.8
Market to book value of investments	108.4%	106.8%	110.6%	109.8%	110.5%	111.2%	107.4%	109.1%	103.5%
Distribution of investments by asset category									
Bonds	57.2%	57.4%	56.7%	55.7%	55.1%	54.6%	53.1%	52.5%	52.2%
Mortgages	24.0%	24.3%	24.8%	25.1%	25.3%	26.2%	27.3%	28.3%	29.1%
Stocks	9.8%	9.5%	9.4%	9.4%	8.9%	8.7%	8.2%	8.1%	7.9%
Real estate	4.3%	4.3%	4.2%	4.3%	4.4%	4.5%	4.8%	4.9%	4.9%
Other	4.7%	4.5%	4.9%	5.5%	6.3%	6.0%	6.6%	6.2%	5.9%
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	5.2%	4.9%	5.2%	4.6%	4.2%	5.3%	5.5%	5.3%	5.3%
Quebec	49.6%	48.9%	48.8%	50.1%	51.0%	51.4%	50.5%	50.5%	50.0%
Ontario	20.5%	21.1%	21.0%	20.5%	19.7%	19.9%	20.1%	20.3%	20.2%
Western provinces	17.6%	17.6%	18.2%	17.9%	17.9%	17.5%	17.8%	18.1%	18.6%
Outside Canada	7.1%	7.5%	6.8%	6.9%	7.2%	5.9%	6.1%	5.8%	5.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Impaired investments and provisions</b>									
Gross impaired investments (excluding insured loans)	48.5	55.6	56.4	60.5	61.6	61.6	62.2	60.4	60.8
Net impaired investments (excluding insured loans)									
Bonds	1.2	1.2	1.2	1.2	1.4	1.4	1.4	1.4	1.5
Mortgages	2.0	8.4	8.6	11.1	11.1	11.3	10.7	8.9	9.0
Real estate acquired to settle loans	6.0	5.9	6.4	7.5	7.9	7.8	9.0	9.0	9.3
Total	9.2	15.5	16.2	19.8	20.4	20.5	21.1	19.3	19.8
Provisions for losses									
At beginning of period	40.1	40.2	40.7	41.2	41.1	41.1	41.1	41.0	42.4
Increase for the period	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0
Decrease for the period	(0.8)	(0.1)	(0.5)	(0.5)	0.0	0.0	0.0	0.0	(1.4)
At end of period	39.3	40.1	40.2	40.7	41.2	41.1	41.1	41.1	41.0
Provisions for losses by type of investment									
Bonds	32.4	30.5	30.5	30.5	30.5	30.5	30.5	30.5	30.4
Mortgages <sup>1</sup>	3.2	4.0	4.0	4.5	4.6	2.3	2.3	2.3	2.3
Real estate acquired to settle loans	3.7	3.7	3.8	3.8	4.1	4.0	4.0	4.0	4.0
Other <sup>1</sup>	0.0	1.9	1.9	1.9	2.0	4.3	4.3	4.3	4.3
Total	39.3	40.1	40.2	40.7	41.2	41.1	41.1	41.1	41.0
Net impaired investments as a % of total investments	0.09%	0.15%	0.16%	0.20%	0.21%	0.22%	0.23%	0.22%	0.23%
Provisions as a % of gross impaired investments	81.0%	72.1%	71.3%	67.3%	66.9%	66.7%	66.1%	68.0%	67.5%

<sup>1</sup> In Q3-2003, a 2.3 provision was re-classified from Other to Conventional Mortgages to be consistent with the re-conversion of the underlying distressed preferred shares after a 5-year term.

**INVESTED ASSETS (continued)**

<i>(in millions of dollars, unless otherwise indicated)</i>	2004			2003				2002	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<b>Bonds</b>									
Book value of the bond portfolio	5,953.3	5,876.7	5,774.9	5,527.9	5,377.1	5,138.5	4,796.5	4,686.4	4,578.4
Market value of the bond portfolio	6,714.1	6,480.3	6,684.6	6,368.7	6,282.4	6,068.4	5,412.9	5,423.1	5,278.6
Market to book value of the bond portfolio	112.8%	110.3%	115.8%	115.2%	116.8%	118.1%	112.9%	115.7%	115.3%
Distribution by credit rating									
Rating - AAA	9.0%	10.4%	11.7%	11.3%	11.6%	11.7%	12.5%	12.2%	13.0%
Rating - AA	17.4%	18.3%	17.2%	15.7%	13.2%	13.8%	14.5%	15.0%	14.5%
Rating - A	66.2%	64.3%	64.7%	66.6%	68.8%	67.4%	65.4%	65.0%	64.6%
Rating - BBB	7.3%	6.9%	6.3%	6.3%	6.3%	7.0%	7.4%	7.7%	7.8%
Rating - BB and lower	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.1%	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	64.9%	63.3%	62.0%	59.2%	59.0%	57.6%	56.3%	55.1%	54.7%
Municipalities	1.8%	1.8%	1.8%	1.8%	1.8%	1.6%	1.3%	2.5%	2.9%
Public corporations	21.5%	23.0%	23.5%	26.0%	26.2%	27.7%	28.5%	28.2%	29.0%
Private corporations	11.8%	11.9%	12.7%	13.0%	13.0%	13.1%	13.9%	14.2%	13.4%
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%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%
<b>Mortgages</b>									
Book value of the mortgage portfolio	2,501.4	2,493.8	2,523.3	2,490.4	2,469.2	2,465.0	2,460.4	2,526.5	2,548.7
Market value of the mortgage portfolio	2,563.9	2,535.2	2,634.5	2,570.1	2,563.8	2,578.2	2,527.5	2,615.5	2,644.7
Market to book value of the mortgage portfolio	102.5%	101.7%	104.4%	103.2%	103.8%	104.6%	102.7%	103.5%	103.8%
Distribution by type of property									
Residential	16.5%	16.6%	16.5%	17.1%	17.8%	18.3%	18.4%	18.4%	18.5%
Multi-residential	58.5%	56.2%	55.6%	55.6%	56.1%	54.3%	53.2%	52.5%	52.1%
Non-residential	25.0%	27.2%	27.9%	27.3%	26.1%	27.4%	28.4%	29.1%	29.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Distribution by category									
Insured loans	50.2%	48.1%	47.6%	48.6%	46.0%	46.1%	46.1%	45.3%	41.5%
Conventional loans	49.8%	51.9%	52.4%	51.4%	54.0%	53.9%	53.9%	54.7%	58.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

<b>INVESTED ASSETS (continued)</b>									
<i>(in millions of dollars, unless otherwise indicated)</i>	<b>2004</b>			<b>2003</b>				<b>2002</b>	
	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>
<b>Mortgages (continued)</b>									
Other quality measures									
Delinquency rate									
Insured loans	0.57%	0.56%	0.61%	0.75%	0.81%	0.81%	0.85%	0.80%	0.29%
Conventional loans	0.17%	0.72%	0.71%	0.97%	0.93%	0.90%	0.86%	0.69%	0.65%
Total	0.37%	0.64%	0.66%	0.86%	0.87%	0.86%	0.86%	0.74%	0.50%
Proportion of delinquent loans which are insured	76.7%	42.0%	43.6%	42.2%	42.6%	43.5%	45.9%	49.0%	23.9%
Delinquency rate, including real estate acquired to settle loans	0.75%	1.02%	1.06%	1.31%	1.35%	1.33%	1.37%	1.25%	1.01%
Proportion of conventional restructured loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%	0.03%	0.03%
<b>Stocks</b>									
Book value of the stock portfolio	1,017.0	976.9	963.4	930.3	873.7	819.0	738.4	720.1	690.5
Market value of the stock portfolio	1,049.0	1,010.2	1,003.2	957.3	880.2	812.9	703.9	691.7	643.4
Market to book value of the stock portfolio	103.1%	103.4%	104.1%	102.9%	100.7%	99.3%	95.3%	96.1%	93.2%
Distribution of stocks by category									
Common	4.1%	4.0%	3.9%	4.1%	4.2%	4.7%	5.2%	6.1%	6.8%
Preferred	23.5%	25.0%	24.7%	24.8%	24.9%	28.3%	32.1%	32.4%	32.8%
Market indices	10.3%	10.6%	10.8%	11.1%	11.0%	11.7%	13.8%	15.3%	16.1%
Investment fund units	62.1%	60.4%	60.6%	60.0%	59.9%	55.3%	48.9%	46.2%	44.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Real estate</b>									
Book value of the real estate portfolio	444.6	445.0	425.5	425.7	426.8	427.6	433.8	436.0	426.0
Market value of the real estate portfolio	463.9	464.5	445.1	446.4	445.5	446.9	453.0	455.6	453.5
Market to book value of the real estate portfolio	104.3%	104.4%	104.6%	104.9%	104.4%	104.5%	104.4%	104.5%	106.5%
Occupancy rate	96.9%	96.7%	95.9%	93.9%	92.7%	92.0%	91.8%	92.1%	91.5%
<b>Other</b>									
Unrealized and unamortized gains on surplus accounts	53.8	52.2	76.2	66.5	53.4	42.3	19.1	27.7	24.8

**CAPITALIZATION**

	2004			2003			2002		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<i>(in millions of dollars, unless otherwise indicated)</i>									
<b>Solvency ratio</b>									
Available capital									
Tier 1									
Common shares	457.4	458.8	458.2	438.3	438.3	438.3	382.0	382.0	382.0
Preferred shares	0.0	0.0	0.0	18.7	18.7	18.7	75.0	75.0	75.0
Innovative instruments in Tier 1 capital <sup>1</sup>	150.0	150.0	150.0	147.1	135.8	0.0	0.0	0.0	0.0
Retained earnings	673.0	637.3	604.9	575.9	547.8	520.0	492.0	470.2	447.0
Other	93.8	95.1	93.9	97.3	98.0	95.7	93.2	93.0	95.4
Gross Tier 1 capital	1,374.2	1,341.2	1,307.0	1,277.3	1,238.6	1,072.7	1,042.2	1,020.2	999.4
Less:									
Goodwill	61.4	61.4	56.5	56.5	52.1	52.1	52.1	51.9	51.8
Adjustment for negative reserves	220.1	219.1	219.1	222.4	277.5	272.7	268.8	269.4	243.0
Other	2.8	2.7	2.8	2.3	3.9	3.7	3.6	3.9	0.3
Net Tier 1 capital	1,089.9	1,058.0	1,028.6	996.1	905.1	744.2	717.7	695.0	704.3
Tier 2									
Hybrid Capital instruments (Tier 2A)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Limited life instruments allowed (subordinated debt) (Tier 2B) <sup>2</sup>	150.0	150.0	210.0	135.0	157.5	160.0	162.5	165.0	167.5
Other (Tier 2C)	204.6	193.1	199.8	188.4	225.2	213.6	202.8	202.4	176.5
Total Tier 2 capital allowed	354.6	343.1	409.8	323.4	382.7	373.6	365.3	367.4	344.0
Total Tier 1 and Tier 2 capital	1,444.5	1,401.1	1,438.4	1,319.5	1,287.8	1,117.8	1,083.0	1,062.4	1,048.3
Less deductions and adjustments (total of Tier 1 and Tier 2)	30.7	31.1	30.3	27.6	32.0	30.0	26.8	25.0	23.7
Total available capital	1,413.8	1,370.0	1,408.1	1,291.9	1,255.8	1,087.8	1,056.2	1,037.4	1,024.6
Required capital									
Asset default risk and market risk	202.5	203.7	195.2	202.9	232.2	238.8	250.1	231.3	263.4
Insurance risks	310.6	296.5	290.6	281.3	259.8	253.9	242.8	235.1	229.4
Interest rate risks	104.1	102.3	100.9	99.5	95.6	94.1	90.5	90.1	92.7
Total of required capital	617.2	602.5	586.7	583.7	587.6	586.8	583.4	556.5	585.5
Solvency ratio (MCCSR)	229 %	227 %	240 %	221 %	214 %	185 %	181 %	186 %	175 %

<sup>1</sup> Innovative Tier 1 Capital: the eligibility criteria for Innovative Tier 1 Capital for purposes of calculating the solvency ratio is 15% of the total Tier 1 capital.

<sup>2</sup> Debenture: linear amortization over the five-year period preceding the maturity of the debentures.

<b>CAPITALIZATION (continued)</b>									
<i>(in millions of dollars, unless otherwise indicated)</i>	2004			2003			2002		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<b>Capital structure</b>									
Subordinated debentures	150.0	150.0	210.0	135.0	185.0	185.0	185.0	185.0	185.0
Other debt (IATS) <sup>1</sup>	150.0	150.0	150.0	150.0	150.0	---	---	---	---
Participating policyholders' account	67.6	66.7	65.5	64.8	62.1	61.5	60.4	59.5	56.0
Shareholders' equity									
Common shares	457.4	458.8	458.2	438.3	438.3	438.3	382.0	382.0	382.0
Preferred shares	0.0	0.0	0.0	18.7	18.7	18.7	75.0	75.0	75.0
Contributed surplus	8.8	8.0	7.2	6.5	5.6	4.9	4.2	3.3	2.3
Retained earnings	673.0	637.3	604.9	575.9	547.8	520.0	492.0	470.2	447.0
Currency translation account	(2.5)	(2.5)	(2.5)	(2.5)	5.8	5.8	6.3	7.5	7.5
Total	<u>1,136.7</u>	<u>1,101.6</u>	<u>1,067.8</u>	<u>1,036.9</u>	<u>1,016.2</u>	<u>987.7</u>	<u>959.5</u>	<u>938.0</u>	<u>913.8</u>
Total capital structure	<u>1,504.3</u>	<u>1,468.3</u>	<u>1,493.3</u>	<u>1,386.7</u>	<u>1,413.3</u>	<u>1,234.2</u>	<u>1,204.9</u>	<u>1,182.5</u>	<u>1,154.8</u>
<b>Debt measures</b>									
Debt to capital ratio <sup>2</sup>	19.9%	20.4%	24.1%	20.6%	23.7%	15.0%	15.4%	15.6%	16.0%
Coverage ratio (in number of times) <sup>3</sup>	10.2	9.6	9.9	9.6	12.4	12.0	10.6	8.7	8.2
<b>Credit ratings</b>									
	<b>Standard &amp; Poor's</b>			<b>DBRS</b>			<b>A.M. Best</b>		
Financial Solidity	A+/Stable			IC-2/Stable			A (Excellent)/Stable		
Subordinated Debentures	A-			A			a -		
Innovative Tier 1 Capital	BBB+			A (Low)yn			bbb+		

<sup>1</sup> IATS: trust units issued by Industrial Alliance Capital Trust.

<sup>2</sup> 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.

<sup>3</sup> The coverage ratio, which is expressed as a number of times, is obtained by dividing pre-tax income, before financing expenses, by financing expenses.

**EMBEDDED VALUE**

	Twelve months ended			Twelve months ended			Twelve months ended		
	December 31, 2003			December 31, 2002			December 31, 2001		
	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
<i>(in millions of dollars, unless otherwise indicated)</i>									
<b>Embedded value</b>									
Total value	1,899	---	---	1,643	---	---	1,542	---	---
Value per common share (in dollars)	---	---	\$48.33	---	---	\$43.77	---	---	\$41.11
Embedded value/book value ratio (in number of times)	1.88	---	---	1.90	---	---	1.95	---	---
<b>Embedded value added</b>									
Preferred shares conversion (April 2003)	56	3.4%	\$(0.46)	---	---	---	---	---	---
Recurring items									
Expected increase in embedded value	130	7.9%	\$3.31	126	8.2%	\$3.36	115	8.3%	\$3.07
New sales	53	3.2%	\$1.35	63	4.1%	\$1.68	66	4.7%	\$1.76
Total	183	11.1%	\$4.66	189	12.3%	\$5.04	181	13.0%	\$4.83
Non-recurring items									
Experience gains or losses									
Related to equity markets	45	2.7%	\$1.15	(83)	(5.4%)	\$(2.21)	(44)	(3.1%)	\$(1.17)
Other	(9)	(0.5%)	\$(0.23)	(3)	(0.2%)	\$(0.08)	9	0.6%	\$0.24
Changes in assumptions	8	0.5%	\$0.21	22	1.4%	\$0.58	26	1.9%	\$0.69
Total	44	2.7%	\$1.13	(64)	(4.2%)	\$(1.71)	(9)	(0.6%)	\$(0.24)
Total of recurring and non-recurring items	283	17.2%	\$5.33	125	8.1%	\$3.33	172	12.4%	\$4.59
Shareholders' dividend	(27)	(1.6%)	\$(0.69)	(24)	(1.6%)	\$(0.64)	(23)	(1.7%)	\$(0.62)
Dilution for April 2004 preferred share conversion	---	---	\$(0.08)	---	---	---	---	---	---
Total of the embedded value added	256	15.6%	\$4.56	101	6.5%	\$2.69	149	10.7%	\$3.97

	Twelve months ended			Twelve months ended			Twelve months ended		
	December 31, 2003			December 31, 2002			December 31, 2001		
	Impact on the embedded value			Impact on the embedded value			Impact on the embedded value		
<i>(in millions of dollars, unless otherwise indicated)</i>									
<b>Principal assumptions and sensitivity analysis</b>									
Risk premium: +1%		(7%)			(7%)			(6%)	
Risk premium: -1%		6%			7%			8%	
MCCSR: from 150% to 175%		(4%)			(4%)			(4%)	
Tax rate: -1%		1%			1%			1%	
Mortality improvement: if none		(5%)			(5%)			(5%)	
Economic assumptions: +1%		3%			3%			---	

**EMBEDDED VALUE** (continued)

<i>(in millions of dollars, unless otherwise indicated)</i>	2004			2003				2002		2004	2003	2003	2002
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	YTD	YTD	Annual	Annual
<b>Embedded value of new sales</b>													
Total value	15.6	14.8	17.3	13.8	12.0	12.2	15.3	13.4	12.0	47.7	39.5	53.3	57.8
Value per common share (in dollars)	\$0.39	\$0.37	\$0.43	\$0.35	\$0.30	\$0.29	\$0.41	\$0.36	\$0.32	\$1.19	\$1.00	\$1.35	\$1.55

**MARKET DATA**

<i>(in millions of dollars, unless otherwise indicated)</i>	2004			2003				2002		2004	2003	2003	2002
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	YTD	YTD	Annual	Annual
Number of common shares outstanding (in millions)	39.7	39.8	39.8	39.3	39.3	39.3	37.7	37.7	37.7	39.7	39.3	39.3	37.7
Share price at the end of the period (in dollars)	\$48.40	\$45.50	\$44.65	\$43.80	\$36.51	\$37.25	\$36.00	\$39.49	\$35.95	\$48.40	\$36.51	\$43.80	\$39.49
Average share price (in dollars)	\$47.72	\$44.67	\$44.83	\$40.22	\$37.57	\$36.06	\$36.51	\$36.17	\$35.66	\$45.55	\$36.67	\$37.37	\$40.35
Market capitalization	1,923.2	1,811.8	1,778.0	1,721.3	1,434.8	1,463.9	1,357.2	1,486.8	1,353.5	1,923.2	1,434.8	1,721.3	1,486.8
Book value per outstanding common share (in dollars)	\$28.61	\$27.66	\$26.82	\$25.91	\$25.38	\$24.66	\$23.46	\$22.92	\$22.28	\$28.61	\$25.38	\$25.91	\$22.92
Dividend per common share (in dollars)	\$0.22	\$0.19	\$0.19	\$0.19	\$0.17	\$0.17	\$0.17	\$0.17	\$0.17	\$0.60	\$0.51	\$0.70	\$0.64

**OTHER INFORMATION**

<i>(in millions of dollars, unless otherwise indicated)</i>	2004			2003				2002		2004	2003	2003	2002
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	YTD	YTD	Annual	Annual
<b>General expenses</b>													
General expenses	62.1	64.9	64.1	63.6	58.6	54.9	60.3	61.2	55.6	191.1	173.8	237.4	229.9
General expenses as a % of total revenues	7.43%	7.54%	6.30%	7.15%	7.80%	7.46%	6.18%	8.37%	9.41%	7.04%	7.06%	7.08%	7.98%
<b>Human resources</b>													
Number of employees													
Life insurance companies	2,171	2,185	2,169	2,138	2,141	2,148	2,155	2,110	2,110	2,171	2,141	2,138	2,110
General insurance company	359	341	326	329	338	323	310	305	321	359	338	329	305
Total	<u>2,530</u>	<u>2,526</u>	<u>2,495</u>	<u>2,467</u>	<u>2,479</u>	<u>2,471</u>	<u>2,465</u>	<u>2,415</u>	<u>2,431</u>	<u>2,530</u>	<u>2,479</u>	<u>2,467</u>	<u>2,415</u>
Number of Career representatives	1,307	1,294	1,277	1,309	1,278	1,280	1,310	1,310	1,274	1,307	1,278	1,309	1,310
<b>Other</b>													
Gross life insurance in-force (in billions of dollars)	145.9	143.4	141.0	139.1	137.1	135.3	133.5	131.6	128.8	145.9	137.1	139.1	131.6

## CONSOLIDATED FINANCIAL STATEMENTS

### INCOME STATEMENTS

<i>(in millions of dollars, unless otherwise indicated)</i>	2004			2003				2002		2004	2003	2003	2002
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	YTD	YTD	Annual	Annual
<b>Revenues</b>													
Premiums	659.1	657.6	801.4	645.6	549.8	519.4	851.9	525.8	493.7	2,118.1	1,921.1	2,566.7	2,337.2
Net investment income	140.1	168.2	180.9	213.4	174.4	191.6	97.9	180.0	74.2	489.2	463.9	677.3	450.2
Fees and other revenues	36.2	35.0	34.6	30.7	26.7	25.1	25.2	25.0	23.1	105.8	77.0	107.7	95.3
Total	835.4	860.8	1,016.9	889.7	750.9	736.1	975.0	730.8	591.0	2,713.1	2,462.0	3,351.7	2,882.7
<b>Policy benefits and expenses</b>													
Change in provisions for future policy benefits	97.9	101.2	135.1	181.6	135.9	150.8	72.6	137.4	37.7	334.2	359.3	540.9	263.6
Payments to policyholders and beneficiaries	315.0	321.7	328.0	312.7	292.5	300.5	310.8	269.1	272.6	964.7	903.8	1,216.5	1,117.4
Net transfer to segregated funds	183.4	200.2	317.1	141.8	109.2	74.3	384.9	102.4	89.3	700.7	568.4	710.2	737.9
Dividends, experience refunds and interest on amounts on depos	8.3	11.0	12.9	21.8	6.3	11.9	9.9	17.3	3.6	32.2	28.1	49.9	30.3
Commissions	90.5	87.1	89.2	89.5	79.4	76.1	79.9	81.5	81.1	266.8	235.4	324.9	309.9
Premium and other taxes	11.3	11.6	11.7	10.8	10.8	11.0	10.4	11.4	9.4	34.6	32.2	43.0	39.3
General expenses	62.1	64.9	64.1	63.6	58.6	54.9	60.3	61.2	55.6	191.1	173.8	237.4	229.9
Net financing expenses	4.2	4.1	4.0	10.3	4.9	2.8	3.4	3.6	3.6	12.3	11.1	21.4	14.1
Minority interest	(0.1)	(0.1)	---	---	---	---	---	---	---	(0.2)	---	---	---
Total	772.6	801.7	962.1	832.1	697.6	682.3	932.2	683.9	552.9	2,536.4	2,312.1	3,144.2	2,742.4
<b>Income before income taxes</b>	62.8	59.1	54.8	57.6	53.3	53.8	42.8	46.9	38.1	176.7	149.9	207.5	140.3
Income taxes	(19.1)	(18.0)	(17.5)	(19.3)	(16.4)	(18.0)	(13.5)	(13.6)	(8.2)	(54.6)	(47.9)	(67.2)	(36.8)
<b>Net income</b>	43.7	41.1	37.3	38.3	36.9	35.8	29.3	33.3	29.9	122.1	102.0	140.3	103.5
Net income attributable to policyholders	0.9	1.2	0.7	2.7	0.6	1.1	0.9	3.5	1.3	2.8	2.6	5.3	6.1
Net income attributable to shareholders	42.8	39.9	36.6	35.6	36.3	34.7	28.4	29.8	28.6	119.3	99.4	135.0	97.4

For comparison purposes, certain previous data have been restated.



**CONSOLIDATED FINANCIAL STATEMENTS**

**BALANCE SHEETS - GENERAL FUNDS ASSETS**

<i>(in millions of dollars, unless otherwise indicated)</i>	2004			2003				2002	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<b>Invested assets</b>									
Bonds	5,953.3	5,876.7	5,774.9	5,527.9	5,377.1	5,138.5	4,796.5	4,686.4	4,578.4
Mortgages	2,501.4	2,493.8	2,523.3	2,490.4	2,469.2	2,465.0	2,460.4	2,526.5	2,548.7
Stocks	1,017.0	976.9	963.4	930.3	873.7	819.0	738.4	720.1	690.5
Real estate	444.6	445.0	425.5	425.7	426.8	427.6	433.8	436.0	426.0
Policy loans	168.4	175.7	187.7	154.9	165.7	171.1	183.9	157.6	163.6
Cash and cash equivalents	266.9	227.2	197.0	280.1	345.4	298.9	320.0	305.1	259.2
Short-term investments	34.8	36.5	18.6	24.7	25.4	25.1	24.7	34.0	32.4
Other invested assets	18.4	16.8	100.4	91.5	75.8	75.1	68.5	69.2	67.8
<b>Total</b>	<b>10,404.8</b>	<b>10,248.6</b>	<b>10,190.8</b>	<b>9,925.5</b>	<b>9,759.1</b>	<b>9,420.3</b>	<b>9,026.2</b>	<b>8,934.9</b>	<b>8,766.6</b>
<b>Goodwill</b>	61.4	61.4	56.5	56.5	52.1	52.1	52.1	51.9	51.8
<b>Other assets</b>	395.7	389.5	403.1	325.6	380.3	376.3	354.2	302.4	329.8
<b>Total</b>	<b>457.1</b>	<b>450.9</b>	<b>459.6</b>	<b>382.1</b>	<b>432.4</b>	<b>428.4</b>	<b>406.3</b>	<b>354.3</b>	<b>381.6</b>
<b>General funds assets</b>	<b>10,861.9</b>	<b>10,699.5</b>	<b>10,650.4</b>	<b>10,307.6</b>	<b>10,191.5</b>	<b>9,848.7</b>	<b>9,432.5</b>	<b>9,289.2</b>	<b>9,148.2</b>

For comparison purposes, certain previous data have been restated.

## CONSOLIDATED FINANCIAL STATEMENTS

### BALANCE SHEETS - GENERAL FUNDS LIABILITIES AND EQUITY

<i>(in millions of dollars, unless otherwise indicated)</i>	2004			2003				2002	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<b>Policy liabilities</b>									
Provisions for future policy benefits	8,002.5	7,904.6	7,803.6	7,668.3	7,574.6	7,429.9	7,061.8	6,990.6	6,855.8
Provisions for dividends to policyowners and experience rating refunds	58.2	56.6	52.6	44.4	34.3	34.3	34.7	29.4	13.2
Benefits payable and provision for unreported claims	132.4	136.0	142.3	136.1	131.9	132.6	140.0	124.7	119.7
Policyholders' amounts on deposit	156.0	147.9	145.7	145.6	150.8	151.7	149.9	154.9	164.2
<b>Total</b>	<b>8,349.1</b>	<b>8,245.1</b>	<b>8,144.2</b>	<b>7,994.4</b>	<b>7,891.6</b>	<b>7,748.5</b>	<b>7,386.4</b>	<b>7,299.6</b>	<b>7,152.9</b>
<b>Deferred net realized gains</b>									
Related to actuarial liabilities	353.1	352.5	352.9	324.7	289.5	285.8	283.0	287.1	278.5
Related to equity	21.6	26.1	27.7	22.5	20.9	24.6	24.1	27.0	25.2
<b>Total</b>	<b>374.7</b>	<b>378.6</b>	<b>380.6</b>	<b>347.2</b>	<b>310.4</b>	<b>310.4</b>	<b>307.1</b>	<b>314.1</b>	<b>303.7</b>
<b>Other liabilities</b>									
Mortgage debt	38.9	39.2	39.5	39.7	40.0	40.3	40.5	40.9	47.2
Future income tax liability	205.5	198.6	186.8	177.9	163.3	154.5	144.8	143.1	145.0
Other	389.4	369.7	406.0	361.7	372.9	360.8	348.8	309.0	344.6
<b>Total</b>	<b>633.8</b>	<b>607.5</b>	<b>632.3</b>	<b>579.3</b>	<b>576.2</b>	<b>555.6</b>	<b>534.1</b>	<b>493.0</b>	<b>536.8</b>
<b>Subordinated debentures</b>	150.0	150.0	210.0	135.0	185.0	185.0	185.0	185.0	185.0
<b>Other debts</b>	150.0	150.0	150.0	150.0	150.0	---	---	---	---
<b>Participating policyowners' account</b>	67.6	66.7	65.5	64.8	62.1	61.5	60.4	59.5	56.0
<b>Equity</b>									
Share capital									
Common shares	457.4	458.8	458.2	438.3	438.3	438.3	382.0	382.0	382.0
Preferred shares	0.0	0.0	0.0	18.7	18.7	18.7	75.0	75.0	75.0
<b>Total</b>	<b>457.4</b>	<b>458.8</b>	<b>458.2</b>	<b>457.0</b>	<b>457.0</b>	<b>457.0</b>	<b>457.0</b>	<b>457.0</b>	<b>457.0</b>
Contributed surplus	8.8	8.0	7.2	6.5	5.6	4.9	4.2	3.3	2.3
Retained earnings	673.0	637.3	604.9	575.9	547.8	520.0	492.0	470.2	447.0
Currency translation account	(2.5)	(2.5)	(2.5)	(2.5)	5.8	5.8	6.3	7.5	7.5
<b>Total</b>	<b>1,136.7</b>	<b>1,101.6</b>	<b>1,067.8</b>	<b>1,036.9</b>	<b>1,016.2</b>	<b>987.7</b>	<b>959.5</b>	<b>938.0</b>	<b>913.8</b>
<b>General funds liabilities and equity</b>	<b>10,861.9</b>	<b>10,699.5</b>	<b>10,650.4</b>	<b>10,307.6</b>	<b>10,191.5</b>	<b>9,848.7</b>	<b>9,432.5</b>	<b>9,289.2</b>	<b>9,148.2</b>

For comparison purposes, certain previous data have been restated.

## GLOSSARY

**ASO** – Administrative Services Only contract. This is a group insurance contract administrated by the Company on behalf of the client. Under this contract, the Company earns fees for its administrative services but the client assumes all risks inherent in the contract.

**Assets under administration** – All assets on which the Company exercises a certain control or on which it can make decisions.

**Assets under management** – All assets on which the Company makes decisions and which are part of the general funds or segregated funds.

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

**Coverage ratio** – Ratio, which is expressed as a number of times, obtained by dividing pre-tax income, before financing expenses, by financing expenses.

**Debt to capital ratio** – Ratio, expressed as a percentage, obtained by dividing the subordinated debentures and the other debt (Industrial Alliance Trust Securities - IATS) by the capital structure.

**Dividend per common share** – Dividend declared by the board for the quarter for which the financial results have been disclosed.

**Earnings per share** – A measure of the Company's profitability, calculated by dividing the net income to common shareholders by the weighted average number of outstanding common shares.

**Impaired investments** – Bonds and mortgage loans 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 shares.

**Minimum Continuing Capital and Surplus Requirements (MCCSR)** – Calculation formula founded on risks and prescribed by the regulatory authorities to determine if an insurance company is sufficiently capitalized in comparison to the minimum set by the regulator.

**Net income - adjusted** – Non-GAAP net income, adjusted for non-recurrent items, presented by management to provide data on a comparable basis from one period to another. The purpose of this information is to enable a better analysis of the Company's profitability potential.

**Premiums** – Amounts 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.

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

**Return on common shareholders' equity (ROE)** – Ratio, expressed as a percentage, calculated by dividing net income to the common shareholders by the average common shareholders' equity for the period.

**Sales** – According to the business sector, sales are defined the following way:

- Individual Insurance: first year annualized premiums;
- Individual Annuities: accounting premiums for the general funds and for the segregated funds;
- Group Insurance: for employee plans: first year annualized premiums, including administrative services only contracts (ASO); and for creditor insurance: gross premiums before reinsurance (single premiums);
- Group Pensions: accounting premiums for the general funds and for the segregated funds.

**Share price** – Closing price of the Company's share.

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