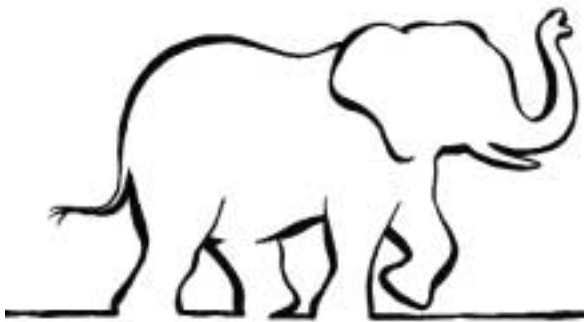


**Consolidated Financial Statements
for the First Quarter 2005**

As at March 31, 2005 and 2004

These consolidated financial statements have
not been reviewed by external auditors.



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INDUSTRIAL ALLIANCE
INSURANCE AND FINANCIAL SERVICES INC.

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INDUSTRIAL ALLIANCE INSURANCE AND FINANCIAL SERVICES INC.
CONSOLIDATED INCOME STATEMENTS

(in millions of dollars, unless otherwise indicated)

	Three months ended March 31	
	<u>2005</u>	<u>2004</u>
	\$	\$
	(unaudited)	(restated) (note 3)
REVENUES		
Premiums (note 10)	852.3	801.4
Net investment income	173.7	180.9
Fees and other revenues	48.5	34.6
	<u>1,074.5</u>	<u>1,016.9</u>
POLICY BENEFITS AND EXPENSES		
Change in provisions for future policy benefits	106.8	135.1
Payments to policyholders and beneficiaries	352.6	328.0
Net transfer to segregated funds	364.0	317.1
Dividends, experience rating refunds and interest on amounts on deposit	1.3	12.9
Commissions	100.2	89.2
Premium and other taxes	12.7	11.7
General expenses	69.4	64.1
Net financing expenses	4.2	4.0
	<u>1,011.2</u>	<u>962.1</u>
INCOME BEFORE INCOME TAXES	63.3	54.8
Income taxes	(20.0)	(17.5)
NET INCOME	43.3	37.3
Net income attributable to participating policyholders	0.9	0.2
Net income attributable to shareholders	42.4	37.1
Earnings per share (note 7)		
basic (in dollars)	1.07	0.94
diluted (in dollars)	1.06	0.93

INDUSTRIAL ALLIANCE INSURANCE AND FINANCIAL SERVICES INC.
CONSOLIDATED BALANCE SHEETS
(in millions of dollars)

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	<u>As at</u> <u>March 31</u> <u>2005</u> \$ (unaudited)	<u>As at</u> <u>December 31</u> <u>2004</u> \$	<u>As at</u> <u>March 31</u> <u>2004</u> \$ (unaudited) (restated) (note 3)
ASSETS			
Invested assets			
Bonds	6,188.1	6,074.5	5,774.9
Mortgages	2,478.2	2,491.8	2,523.3
Stocks	1,114.6	1,081.1	963.4
Real estate	445.4	444.5	425.5
Policy loans	196.3	162.7	187.7
Short-term investments	65.6	83.0	18.6
Cash and cash equivalents	252.8	252.9	197.0
Other invested assets	32.3	18.8	100.4
	10,773.3	10,609.3	10,190.8
Goodwill	124.7	125.7	56.5
Other assets	348.1	315.5	403.1
	472.8	441.2	459.6
TOTAL GENERAL FUND ASSETS	11,246.1	11,050.5	10,650.4
SEGREGATED FUNDS NET ASSETS	6,260.0	5,913.6	5,385.7
LIABILITIES			
Policy liabilities			
Provisions for future policy benefits	8,264.8	8,157.7	7,803.6
Provisions for dividends to policyholders and experience rating refunds	44.6	50.2	52.6
Benefits payable and provision for unreported claims	131.2	121.7	142.3
Policyholders' amounts on deposit	165.8	164.1	145.7
	8,606.4	8,493.7	8,144.2
Other liabilities	661.6	645.3	632.3
Deferred net realized gains	399.7	380.7	380.6
Subordinated debentures	310.1	150.0	210.0
Other debts	---	150.0	150.0
Participating policyholders' account	18.2	17.3	13.4
EQUITY			
Share capital (note 6)	459.1	458.1	458.2
Contributed surplus	10.1	9.5	7.2
Retained earnings	786.7	751.7	657.0
Currency translation account	(5.8)	(5.8)	(2.5)
	1,250.1	1,213.5	1,119.9
TOTAL GENERAL FUND LIABILITIES AND EQUITY	11,246.1	11,050.5	10,650.4
SEGREGATED FUNDS LIABILITIES	6,260.0	5,913.6	5,385.7

CONSOLIDATED PARTICIPATING POLICYHOLDERS' ACCOUNT

(in millions of dollars)

	Three months ended March 31	
	2005	2004
	\$	\$
	(unaudited)	(restated) (note 3)
Participating policyholders' account at beginning of period	17.3	64.8
Restatement of the transfer amount of the participating policyholders' account	---	(51.6)
Participating policyholders' account restated at beginning of period	17.3	13.2
Income for the period	1.8	1.4
Dividends	(0.8)	(1.1)
Transfer to the shareholders' account	(0.1)	(0.1)
Net income attributable to participating policyholders	0.9	0.2
Participating policyholders' account at end of period	18.2	13.4

CONSOLIDATED CONTRIBUTED SURPLUS

(in millions of dollars)

	Three months ended March 31	
	2005	2004
	\$	\$
	(unaudited)	
Contributed surplus at beginning of period	9.5	6.5
Current year contribution for the stock option plan	0.7	0.7
Stock options exercised	(0.1)	---
Contributed surplus at end of period	10.1	7.2

CONSOLIDATED RETAINED EARNINGS

(in millions of dollars)

	Three months ended March 31	
	2005	2004
	\$	\$
	(unaudited)	(restated) (note 3)
Retained earnings at beginning of period	751.7	575.9
Restatement of the transfer amount of the participating policyholders' account	---	51.6
Impact of the non consolidation of the Industrial Alliance Trust Securities (note 2)	1.3	---
Retained earnings at beginning of period	753.0	627.5
Net income attributable to shareholders	42.4	37.1
Dividends	(8.7)	(7.6)
Retained earnings at end of period	786.7	657.0

INDUSTRIAL ALLIANCE INSURANCE AND FINANCIAL SERVICES INC.
CONSOLIDATED CASH FLOWS STATEMENTS
(in millions of dollars)

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	Three months ended March 31	
	2005	2004
	\$	\$
	(unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	43.3	37.3
Items not affecting cash and cash equivalents:		
Change in provision for future policy benefits	106.8	135.1
Share of net results of significantly influenced entity	(0.6)	(0.4)
Amortization of realized and unrealized (gains) losses	(31.7)	(29.0)
Amortization of premiums and discounts	(41.1)	(36.0)
Future income taxes	12.4	8.2
Stock option plan	0.7	0.7
Other	3.1	11.0
	92.9	126.9
Other changes in other assets and liabilities	(18.9)	(32.1)
Cash flows from operating activities	74.0	94.8
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales, maturities and repayments of:		
Bonds	402.5	446.8
Mortgages	140.5	140.1
Stocks	62.8	115.1
Real estate	1.2	14.3
Policy loans	16.7	15.9
Other invested assets	74.3	30.8
	698.0	763.0
Purchases of:		
Bonds	(442.3)	(623.8)
Mortgages	(126.6)	(170.3)
Stocks	(83.0)	(130.6)
Real estate	(1.4)	(11.1)
Policy loans	(49.7)	(48.0)
Other invested assets	(61.2)	(25.7)
	(764.2)	(1,009.5)
Cash flows from investing activities	(66.2)	(246.5)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of common shares	1.1	1.2
Redemption of debentures	---	(75.0)
Issue of debenture	---	150.0
Dividends paid on preferred shares	---	(0.1)
Dividends paid on common shares	(8.7)	(7.5)
Decrease in mortgage debt	(0.3)	(0.2)
Cash flows from financing activities	(7.9)	68.4
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(0.1)	(83.3)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	252.9	280.3
CASH AND CASH EQUIVALENTS AT END OF PERIOD	252.8	197.0
Supplementary information:		
Interest paid	5.9	6.2
Income taxes paid, net of refunds	11.0	12.1

**INDUSTRIAL ALLIANCE INSURANCE AND FINANCIAL SERVICES INC.
CONSOLIDATED FINANCIAL STATEMENTS OF SEGREGATED FUNDS**

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CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

(in millions of dollars)

	Three months ended March 31 2005	Twelve months ended December 31 2004	Three months ended March 31 2004
	\$	\$	\$
	(unaudited)		(unaudited)
Net assets at beginning of period	5,913.6	5,042.2	5,042.2
Additions:			
Amounts received from policyholders	362.6	976.9	386.0
Investment income	34.4	148.8	30.2
Net realized gains	56.7	72.8	46.0
Net increase in market value	78.4	334.4	105.5
	6,445.7	6,575.1	5,609.9
Deductions:			
Amounts withdrawn by policyholders	155.2	550.5	197.2
Operating expenses	30.5	111.0	27.0
	185.7	661.5	224.2
Net assets at end of period	6,260.0	5,913.6	5,385.7

CONSOLIDATED STATEMENTS OF NET ASSETS

(in millions of dollars)

	As at March 31 2005	As at December 31 2004	As at March 31 2004
	\$	\$	\$
	(unaudited)		(unaudited)
Assets			
Bonds	1,786.5	1,677.8	1,558.7
Mortgages and mortgage-backed securities	28.5	36.8	44.9
Stocks	1,772.0	1,674.5	1,527.1
Funds units	2,250.8	2,144.2	1,949.5
Cash and short-term investments	418.4	373.7	295.5
Other assets	59.5	27.8	55.7
	6,315.7	5,934.8	5,431.4
Liabilities			
Accounts payable and accrued expenses	55.7	21.2	45.7
Net assets	6,260.0	5,913.6	5,385.7

INDUSTRIAL ALLIANCE INSURANCE AND FINANCIAL SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Three months ended March 31, 2005 and 2004 (unaudited)
(in millions of dollars, unless otherwise indicated)

1- ACCOUNTING POLICIES

These interim Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements for the year ended December 31, 2004, as set out in the 2004 Annual Report. The significant accounting policies followed in the preparation of these interim Consolidated Financial Statements are consistent with those found in the 2004 Annual Report, except as described in note 2 below.

2- CHANGE IN ACCOUNTING POLICIES

Consolidation of Variable Interest Entities

On January 1, 2005, the Company adopted CICA Accounting Guideline (AcG) 15, on Consolidation of Variable Interest Entities (VIE). VIEs are entities in which equity investors do not have a controlling financial interest or the equity investment at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support provided by other parties. AcG-15 requires the consolidation of a VIE by its primary beneficiary, i.e., the party that receives the majority of the expected residual returns and/or absorbs the majority of the expected losses.

The Company has determined that no VIE is required to be consolidated under the new guideline. In July 2003, Industrial Alliance Capital Trust (the Trust), a wholly owned open-end trust, issued Industrial Alliance Trust Securities (IATS), the proceeds of which were used to purchase debentures from the Company. The Trust is a VIE as defined by Accounting Guideline 15 and because the Company is deemed not to be the primary beneficiary, the IATS issued by the Trust are no more consolidated beginning as at January 1, 2005, and the debentures issued by the Company will be reported as debentures issued by the Trust. The IATS, totalling \$150.0, continue to form part of the Company's Tier 1 regulatory capital.

Investment Companies

On January 1, 2005 the Company adopted CICA Accounting Guideline 18, on Investment Companies. Under this guideline, investment companies are required to account for all their investments at fair value, including investments that would be consolidated or accounted for using the equity method. The Guideline sets out the criteria for determining whether a company is an investment company and also provides guidance on the circumstances in which the parent company of, or equity method investor in, an investment company should account for the investment company's investments at fair value. The Company has adjusted the accounting of the investment held by one subsidiary to consolidate them at the fair value and the impact is not material.

3- RESTATEMENT OF THE TRANSFER AMOUNT OF THE PARTICIPATING POLICYHOLDERS' ACCOUNT

The Company realized that the amount that could be transferred from the participating policyholders' account to the retained earnings, pursuant to the Insurance Companies Act, had been understated each year since 1981, following the incorrect application of the calculation method.

Following this correction, the financial statements have been restated. The impact of this correction on the consolidated results translates into a \$0.5 increase in the net income attributable to shareholders and an equivalent decrease in the net income attributable to policyholders during the three months ended March 31, 2004. The impact on the consolidated balance sheet is an increase in the retained earnings and an equivalent decrease in the participating policyholders' account of \$51.6 as at beginning of 2004.

This restatement increased the basic and diluted earnings per share for the three months ended March 31, 2004 by \$0.01.

4- ACQUISITION OF BUSINESS

In relation to the acquisition of Industrial Alliance Fund Management Inc. (formerly BLC-Edmond de Rothschild Asset Management Inc. (BLCER)), which closed on December 31, 2004, an amount of \$1.3 under of the recovery clause was recovered on March 3, 2005, decreasing the purchase price by this amount.

INDUSTRIAL ALLIANCE INSURANCE AND FINANCIAL SERVICES INC.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Three months ended March 31, 2005 and 2004 (unaudited)

(in millions of dollars, unless otherwise indicated)

5-COST OF RESTRUCTURING

In acquiring BLCER, which closed on December 31, 2004, the Company had developed a plan to restructure the operations. Costs of \$3.4 are expected to be incurred as a result of consolidation activities involving operations and systems and compensation costs. This cost is accounted for as part of the purchase price.

	Accrued on acquisition			
	Expected future costs	Amounts incurred for the three months ended March 31, 2005	Cumulative amount incurred to date	Balance as at March 31, 2005
	\$	\$	\$	\$
Compensation cost	1.3	0.8	0.8	0.5
Cost of restructuring operations	2.1	0.3	0.3	1.8
Total	3.4	1.1	1.1	2.3

On December 1, 2004, the Company announced the combination of the operations of its subsidiary The National Life Assurance Company of Canada with its own operations during the years 2005 and 2006. The impact of this combination in consolidated financial statements is a \$1.3 increase in the general expenses (\$0.9 after tax) for the three months ended March 31, 2005.

	Expenses as incurred				
	Expected future costs	Amounts incurred in 2004	Amounts incurred for the three months ended March 31, 2005	Cumulative amount incurred to date	Balance as at March 31, 2005
	\$	\$	\$	\$	\$
Compensation cost	4.0	1.6	0.5	2.1	1.9
Additional income taxes related to the consolidating operations	4.4	4.4	---	4.4	---
Additional provision for future policy benefits related to the consolidating operations	0.8	0.6	---	0.6	0.2
Accelerated depreciation of software and equipment	3.0	---	0.4	0.4	2.6
Systems conversion and others	4.0	---	0.4	0.4	3.6
Total	16.2	6.6	1.3	7.9	8.3

INDUSTRIAL ALLIANCE INSURANCE AND FINANCIAL SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Three months ended March 31, 2005 and 2004 (unaudited)
(in millions of dollars, unless otherwise indicated)

6- SHARE CAPITAL

	2005		2004	
	Number of shares (in thousands)	Amount \$	Number of shares (in thousands)	Amount \$
Common shares				
Balance at beginning of period	39,744.7	458.2	39,345.6	438.5
Shares issued on exercise of stock options	25.0	1.1	30.3	1.2
Shares issued on conversion of preferred shares – Series 1			444.6	18.7
Balance at end of period	39,769.7	459.3	39,820.5	458.4
Shares held in treasury	(10.8)	(0.2)	(10.8)	(0.2)
	39,758.9	459.1	39,809.7	458.2
Preferred shares - Series 1				
Balance at beginning of period	---	---	750.0	18.7
Shares converted into common shares	---	---	(750.0)	(18.7)
Balance at end of period	---	---	---	---
Preferred shares - Series A				
Balance at beginning of period	4.0	0.1	4.0	0.1
Shares issued	---	---	---	---
Balance at end of period	4.0	0.1	4.0	0.1
Shares held in treasury	(4.0)	(0.1)	(4.0)	(0.1)
	---	---	---	---
Total share capital		459.1		458.2

The number of outstanding stock options (in thousands) as at March 31, 2005 is 1,529.5 (1,350.3 in 2004).

INDUSTRIAL ALLIANCE INSURANCE AND FINANCIAL SERVICES INC.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Three months ended March 31, 2005 and 2004 (unaudited)
(in millions of dollars, unless otherwise indicated)

7- EARNINGS PER SHARE

	Three months ended March 31	
	2005	2004
	\$	\$
	(unaudited)	(restated) (note 3)
Shareholders' net income	42.4	37.1
Less: dividends on preferred shares	---	(0.1)
Common shareholders' net income	42.4	37.0
Effect of the conversion on the common shareholders' net income:		
Reduction of financing expenses, net of income taxes and dividends on preferred shares	---	0.2
Common shareholders' net income on a diluted basis	42.4	37.2
Weighted daily average number of shares outstanding	39,741,891	39,307,469
Add: diluted effect of stock options granted and outstanding	288,117	106,419
Add: diluted effect of convertible preferred shares in common shares	---	380,383
Weighted average number of shares outstanding on a diluted basis	40,030,008	39,794,271
Earnings per share (in dollars)		
basic	1.07	0.94
diluted	1.06	0.93

8- EMPLOYEE FUTURE BENEFITS

	Three months ended March 31			
	2005	2004	2005	2004
	\$	\$	\$	\$
	(unaudited)			
	Pension plans		Other plans	
Benefit plan expenses				
Current service cost	2.9	2.8	0.1	0.2
Interest cost	4.7	4.2	0.3	0.3
Return on plan assets	(5.1)	(4.5)	---	---
Actuarial loss (gain) on plan	0.2	0.3	---	(0.1)
Amortization of the transitional obligation	(0.1)	(0.1)	---	---
Amortization of plan amendment	0.1	0.1	---	---
Defined benefit plan costs recognized	2.7	2.8	0.4	0.4
Defined contribution plan costs recognized	0.1	0.1	---	---

INDUSTRIAL ALLIANCE INSURANCE AND FINANCIAL SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Three months ended March 31, 2005 and 2004 (unaudited)
(in millions of dollars, unless otherwise indicated)

9- SEGMENTED INFORMATION

The Company operates principally in one dominant industry segment, the life and health insurance industry, and offers individual and group life and health insurance products, savings and retirement plans, and segregated funds. The company also operates mutual funds, securities brokerage and trust businesses. These businesses are principally related to the individual wealth management segment and are now included in that segment (formerly Individual Annuities). This new presentation has not been applied to the comparative figures of the segmented income statement for periods prior to January 1, 2005 because the data are not material. The Company operates mainly in Canada.

Segmented income statements

	Three months ended March 31, 2005 (unaudited)					
	Individual		Group		Other activities*	Total
	Life and Health	Wealth Management	Life and Health	Pensions		
	\$	\$	\$	\$	\$	\$
Revenues						
Premiums	188.7	349.6	160.7	130.9	22.4	852.3
Net investment income	80.7	32.0	16.0	44.7	0.3	173.7
Fees and other revenues	1.9	40.7	2.3	3.3	0.3	48.5
	271.3	422.3	179.0	178.9	23.0	1,074.5
Operating expenses						
Cost of commitments to policyholders	160.2	45.9	118.9	118.8	16.9	460.7
Net transfer to segregated funds	---	315.1	---	48.9	---	364.0
Commissions, general and other expenses	80.9	46.3	48.8	5.1	5.4	186.5
	241.1	407.3	167.7	172.8	22.3	1,011.2
Income before income taxes	30.2	15.0	11.3	6.1	0.7	63.3
Income taxes	(9.6)	(4.8)	(3.7)	(1.6)	(0.3)	(20.0)
Net income before allocation of other activities	20.6	10.2	7.6	4.5	0.4	43.3
Allocation of other activities	0.2	0.1	0.1	---	(0.4)	---
Net income for the period	20.8	10.3	7.7	4.5	---	43.3
Attributable to shareholders	20.1	10.3	7.7	4.3	---	42.4
Attributable to participating policyholders	0.7	---	---	0.2	---	0.9

	Three months ended March 31, 2004 (unaudited) (restated note 3)					
	Individual		Group		Other activities*	Total
	Life and Health	Wealth Management	Life and Health	Pensions		
	\$	\$	\$	\$	\$	\$
Revenues						
Premiums	179.9	325.3	152.0	125.3	18.9	801.4
Net investment income	86.8	34.4	15.9	43.6	0.2	180.9
Fees and other revenues	0.6	20.7	2.5	3.3	7.5	34.6
	267.3	380.4	170.4	172.2	26.6	1,016.9
Operating expenses						
Cost of commitments to policyholders	162.5	71.3	113.5	113.3	15.4	476.0
Net transfer to segregated funds	---	268.2	---	48.9	---	317.1
Commissions, general and other expenses	76.4	29.1	46.3	4.6	12.6	169.0
	238.9	368.6	159.8	166.8	28.0	962.1
Income before income taxes	28.4	11.8	10.6	5.4	(1.4)	54.8
Income taxes	(9.0)	(3.8)	(3.7)	(1.5)	0.5	(17.5)
Net income before allocation of other activities	19.4	8.0	6.9	3.9	(0.9)	37.3
Allocation of other activities	(0.4)	(0.2)	(0.2)	(0.1)	0.9	---
Net income for the period	19.0	7.8	6.7	3.8	---	37.3
Attributable to shareholders	18.9	7.8	6.7	3.7	---	37.1
Attributable to participating policyholders	0.1	---	---	0.1	---	0.2

* Includes other segments and intercompany eliminations.

INDUSTRIAL ALLIANCE INSURANCE AND FINANCIAL SERVICES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Three months ended March 31, 2005 and 2004 (unaudited)
(in millions of dollars, unless otherwise indicated)

9- SEGMENTED INFORMATION (continued)

Segmented general fund assets

For the business acquired in 2004, the asset allocation between segments has been done based on the information available to date. When the final analysis will be completed, the purchase price could be allocated differently and consequently the allocation between segments may vary.

As at March 31, 2005 (unaudited)

	Individual		Group			Total
	Life and Health	Wealth Management	Life and Health	Pensions	Other activities*	
	\$	\$	\$	\$	\$	\$
Assets						
Invested assets	4,922.1	2,122.7	1,101.8	2,459.0	167.7	10,773.3
Goodwill	30.5	74.3	19.9	---	---	124.7
Other assets	111.0	64.3	107.1	57.9	7.8	348.1
Total	5,063.6	2,261.3	1,228.8	2,516.9	175.5	11,246.1

As at December 31, 2004

	Individual		Group			Total
	Life and Health	Wealth Management	Life and Health	Pensions	Other activities*	
	\$	\$	\$	\$	\$	\$
Assets						
Invested assets	4,788.6	2,151.3	1,046.1	2,462.2	161.1	10,609.3
Goodwill	30.5	75.3	19.9	---	---	125.7
Other assets	122.5	75.5	66.8	56.6	(5.9)	315.5
Total	4,941.6	2,302.1	1,132.8	2,518.8	155.2	11,050.5

As at March 31, 2004 (unaudited)

	Individual		Group			Total
	Life and Health	Wealth Management	Life and Health	Pensions	Other activities*	
	\$	\$	\$	\$	\$	\$
Assets						
Invested assets	4,493.4	2,168.4	981.8	2,418.8	128.4	10,190.8
Goodwill	30.5	6.1	19.9	---	---	56.5
Other assets	129.2	73.8	64.1	64.2	71.8	403.1
Total	4,653.1	2,248.3	1,065.8	2,483.0	200.2	10,650.4

* Includes other segments and intercompany eliminations.

INDUSTRIAL ALLIANCE INSURANCE AND FINANCIAL SERVICES INC.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Three months ended March 31, 2005 and 2004 (unaudited)

(in millions of dollars, unless otherwise indicated)

10- PREMIUMS**Three months ended March 31, 2005 (unaudited)**

	Individual		Group		General Insurance	Total
	Life and Health	Wealth Management	Life and Health	Pensions		
	\$	\$	\$	\$	\$	\$
Invested in general fund	188.7	74.5	160.7	45.8	22.4	492.1
Invested in segregated funds	---	275.1	---	85.1	---	360.2
Total	188.7	349.6	160.7	130.9	22.4	852.3

Three months ended March 31, 2004 (unaudited)

	Individual		Group		General Insurance	Total
	Life and Health	Wealth Management	Life and Health	Pensions		
	\$	\$	\$	\$	\$	\$
Invested in general fund	179.9	78.4	152.0	47.3	18.9	476.5
Invested in segregated funds	---	246.9	---	78.0	---	324.9
Total	179.9	325.3	152.0	125.3	18.9	801.4

11- MODIFICATION TO THE GUARANTEES**Coverage**

In the management of its operations, the Company must sometimes cover certain defaults of credit or payment conditions.

On February 8, 2005, the Company issued an irrevocable letter of credit containing an annual automatic renewal clause until April 2007. This additional coverage represents a maximum amount of \$1.0.

12-SUBSEQUENT EVENT

On April 22, 2005, Industrial Alliance Securities Inc, a securities brokerage subsidiary of the Company, completed the acquisition of certain assets of KingsGate Securities Limited for \$1.8.

13- COMPARATIVE FIGURES

Certain comparative figures have been reclassified to comply with the current year's presentation.