

Industrial Alliance Company profile

Industrial Alliance Insurance and Financial Services Inc. is a life and health insurance company with operations in all regions of Canada and in the United States.

For more than 100 years, our mission has been to ensure the financial wellbeing of our clients by offering them personal protection and investment solutions to help them achieve their life goals.

Among the top four insurance companies in Canada, we owe our growth and financial strength to a multi-channel distribution network of more than 16,000 agents, a conservative investment portfolio, sound capital management and a strong risk management culture.

Industrial Alliance, one of the largest public companies in Canada, is listed on the Toronto Stock Exchange under the symbol IAG.

Our history

1892

Foundation of Alliance National

1905

Foundation of Industrial Life Insurance Company

1987

Merger of Industrial and Alliance

1992

Industrial Alliance celebrates its centennial

2000

Demutualization and listing on the Toronto Stock Exchange

Today

Employees

More than 3,900

Clients

Over 3,000,000

Assets under management and under administration

Over \$70 billion (March 31, 2011)

Market capitalization

Over \$3 billion



A partner you can trust.

www.inalco.com



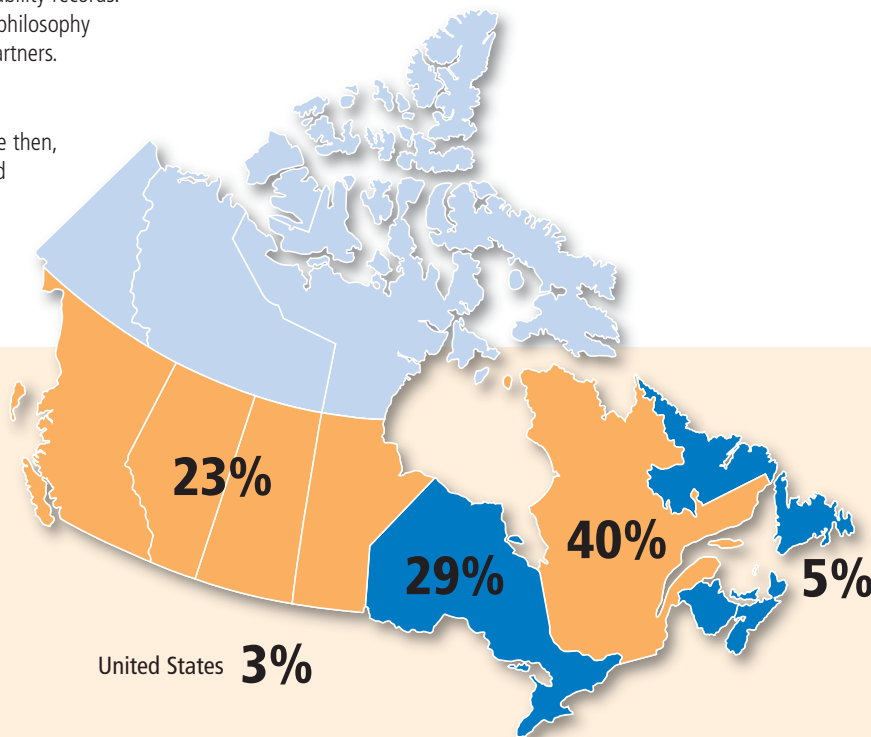
A proven business model

Industrial Alliance's business model has enabled it to deal successfully with the various economic and financial environments of the last decade, including the 2008-2009 financial crisis.

In 2010, the company established new business growth and profitability records. These excellent results are explained by a conservative investment philosophy and a constant effort to act in the best long-term interests of all partners.

Geographic diversification

Twenty years ago, Industrial Alliance operated only in Quebec. Since then, the company has opened offices from coast to coast and developed Canada-wide distribution networks for all of its activity sectors. The company also has operations in the United States.



Geographic distribution of premiums and deposits (2010)

Diversification by activity sector and by product

Individual Insurance

Life insurance (universal, permanent and term), health insurance, disability insurance and mortgage insurance products.

Individual Wealth Management

RRSP, RESP, TFSA, RRIF, segregated funds, mutual funds, securities, lifetime annuities and fixed-term annuities.

Group Insurance

Group Insurance - Employee Plans

Life and health insurance, accidental death and dismemberment (AD&D), dental care insurance, short and long-term disability insurance, critical illness insurance and home care and medical insurance outside Canada.

Group Creditor Insurance

Life, disability and critical illness insurance products to automobile and other motor vehicle dealers and to financial institutions.

Group insurance – Special Markets Group (SMG)

Accidental death and dismemberment (AD&D) insurance products and other specialized insurance products for employees and associations, and travel and health insurance.

Group Savings and Retirement

Defined contribution or defined benefit plans, institutional wealth management services and insured annuities.

The company also provides auto and home insurance.

Growth of the company in 2010

Individual Insurance

- Record sales of **\$186.6 million**

27%
increase

Individual Wealth Management

- Ranked first in Canada** in terms of net segregated fund sales
- 7th in Canada** in terms of net mutual fund sales

Growth of **94%**

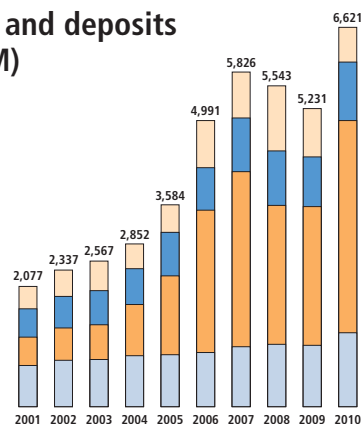
Growth of **183%**

Premiums and deposits

- Record **\$6.6 billion**

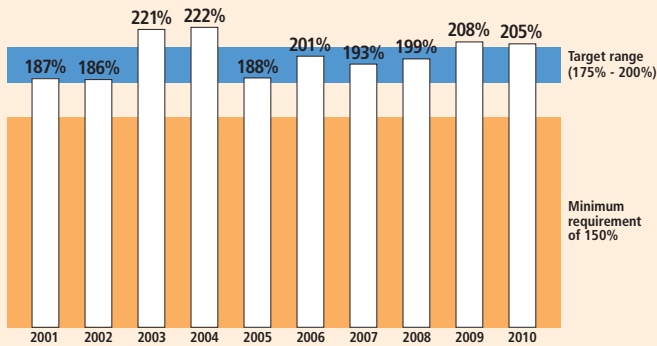
27%
increase

Growth of premiums and deposits by activity sector (\$M) from 2001 to 2010



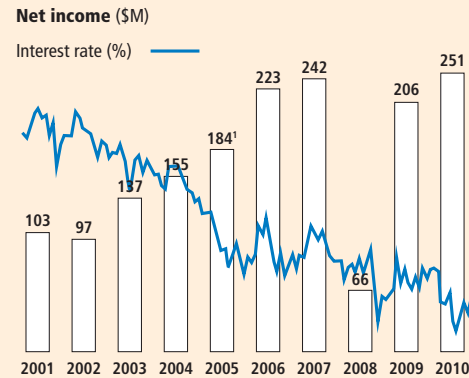
Solvency ratio

The company is in an excellent financial position. It maintains a solvency ratio of at least 175%, far exceeding regulatory thresholds.



Net income

In 2010, net income to shareholders reached a record \$251 million, a year over year increase of 22%. The company has maintained strong profitability despite the reduction in interest rates in the last 10 years.



Credit ratings

Industrial Alliance emerged from the 2008-2009 financial crisis with all of its credit ratings intact, which shows the company's ability to absorb the effects of financial market turbulence and manage risks effectively under such circumstances.

Rating agency	Rating	Outlook
Standard & Poor's	A+ (Strong)	Stable
DBRS	1C-2	Stable
A.M. Best	A (Excellent)	Stable

Performance of Industrial Alliance stock

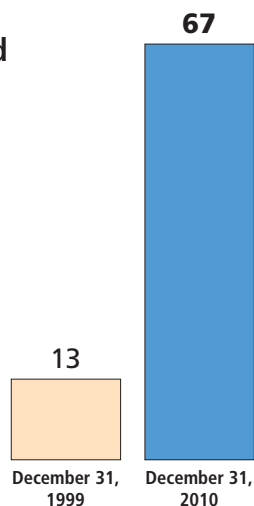
Since February 3, 2000, the date on which Industrial Alliance was listed on the Toronto Stock Exchange, Industrial Alliance stock has grown **367%** compared to 55% for the S&P/TSX benchmark index of the Toronto Stock Exchange.



Growth of assets under management and administration

(\$Billion)

+ 415%



Market shares

(2010 unless otherwise indicated)

	New business ¹		In-force ²	
	Rank	Market share	Rank	Market share
Individual Insurance	4 th	10.6%	4 th	8.7%
Individual Wealth Management:				
Segregated funds	1 st	37.2%	4 th	10.0%
Mutual funds	7 th	—	17 th	—
Group insurance				
Employee plans (50-1000 employees)	5 th	7.9%	6 th	4.2% ³
Group Savings and Retirement	6 th	6.7%	5 th	5.8% ³

¹First year annualized premiums, except Individual Wealth Management: net sales

²Premiums and premium equivalents for the insurance sectors and assets under management for the other sectors
³2009

Source: CLHIA, Fraser Group, Investor Economics and LIMRA

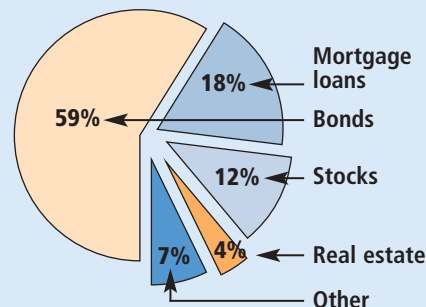
A conservative and long-term vision

The success of the company's business model rests on prudent policy reserves, strict management of credit risks and a low-risk investment portfolio.

The overall quality of Industrial Alliance's investments is very high. At December 31, 2010, net impaired investments accounted for just 0.12% of total investments.

The company's investment portfolio is composed of various asset classes, the main ones being bonds, mortgage loans, stocks and real estate. The total value of the portfolio is \$18.8 billion (as of December 31, 2010).

Distribution of investments by asset class (2010)



Our corporate values

The Industrial Alliance Group's success is the product of an entrepreneurial culture and a constant effort to maintain and develop relationships of trust with its clients, its distributors, its employees and its shareholders.

- › Teamwork**
- › High-performance environment**
- › Continuous improvement**
- › Respect for individuals**
- › Service oriented**

Senior management

Yvon Charest
President and Chief Executive Officer
Industrial Alliance

Normand Pépin
Executive Vice-President
Life Subsidiaries and
Individual Insurance and Annuities
Industrial Alliance

Michel Tremblay
Executive Vice-President
Investments
Industrial Alliance

Gerald Bouwers
President and Chief Operating Officer
Industrial Alliance Pacific

Michael L. Stickney
President
IA American

Contacts

Public Relations

- › 418 684-5000, extension 1660
- › relations.publiques@inalco.com

Investor Relations

- › 418 684-5000, extension 5862
- › investors@inalco.com

Client Service

- › 418 684-5000 or 1 800 463-6236
- › clientele@inalco.com

Head office

1080 Grande Allée West
PO Box 1907, Station Terminus
Quebec City, QC G1K 7M3

418 684-5000
1 800 463-6236
www.inalco.com

Visit our website for a complete list of our offices.

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The elephant,
symbol of our 100 years
of strength and longevity.

