

Interim consolidated financial statements (unaudited)

ING Canada Inc.
June 30, 2006

ING Canada Inc.

CONSOLIDATED BALANCE SHEETS (unaudited)

(in thousands of dollars)

	June 30 2006	As at December 31 2005
Assets		
Cash and cash equivalents	\$ 185,612	\$ 341,138
Investments (note 2)	7,029,939	6,720,965
Accrued investment income	44,567	50,100
Due from affiliated companies (note 5)	6,337	230
Premium and other receivables	1,625,105	1,518,511
Reinsurers' share of unpaid claims and loss adjustment expenses (note 4)	281,661	330,519
Reinsurers' share of unearned premiums (note 4)	19,273	17,279
Deferred acquisition costs	388,678	381,992
Income taxes receivable	95,583	55,684
Other assets	184,861	182,119
Long-term investments	43,603	41,587
Future income tax assets	76,384	141,101
Intangible assets (note 7)	55,167	36,948
Goodwill (note 7)	128,903	108,362
	\$ 10,165,673	\$ 9,926,535
Liabilities		
Payables and other liabilities	\$ 771,352	\$ 815,674
Due to affiliated companies (note 5)	2,654	2,968
Income taxes payable	40,954	67,705
Unpaid claims and loss adjustment expenses (note 4)	3,755,101	3,821,609
Unearned premiums (note 4)	2,244,847	2,194,837
Unearned reinsurance commissions	4,266	4,129
Debt outstanding	127,000	127,000
	6,946,174	7,033,922
Shareholders' equity		
133,732,000 common shares and 1 Special Share	1,183,846	1,183,846
Contributed surplus	91,623	89,713
Retained earnings	1,944,030	1,619,054
	3,219,499	2,892,613
	\$ 10,165,673	\$ 9,926,535

See accompanying notes to interim consolidated financial statements

ING Canada Inc.

INTERIM CONSOLIDATED STATEMENTS OF INCOME (unaudited)

(in thousands of dollars except for per share amounts)

	For the three months ended June 30		For the six months ended June 30	
	2006	2005	2006	2005
Direct premiums written	\$ 1,176,136	\$ 1,171,450	\$ 1,988,649	\$ 1,993,361
Net premiums written	\$ 1,155,251	\$ 1,118,401	\$ 1,940,610	\$ 1,895,829
Revenue				
Net premiums earned	\$ 955,705	\$ 955,834	\$ 1,892,593	\$ 1,923,837
Investment income	90,154	95,403	171,242	171,864
Net realized investment and other gains	34,785	46,757	142,462	89,496
Commission and advisory fees	15,910	14,342	24,093	25,988
	1,096,554	1,112,336	2,230,390	2,211,185
Expenses				
Claims and loss adjustment expenses	497,847	493,633	1,055,333	1,060,497
Commissions (note 5)	154,896	163,305	318,239	331,786
Premium taxes	33,201	33,656	65,268	67,487
General expenses	112,936	96,089	223,456	195,149
	798,880	786,683	1,662,296	1,654,919
Interest on debt outstanding	1,990	1,990	3,981	3,981
Income before income taxes	295,684	323,663	564,113	552,285
Income taxes (note 6)	89,744	100,049	172,271	170,182
Net income	\$ 205,940	\$ 223,614	\$ 391,842	\$ 382,103
Basic and diluted earnings per share	\$ 1.54	\$ 1.67	\$ 2.93	\$ 2.86
Basic and diluted average number of common shares (in thousands)	133,732	133,732	133,732	133,356

See accompanying notes to interim consolidated financial statements

ING Canada Inc.

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (unaudited)

(in thousands of dollars)

	For the three months ended June 30		For the six months ended June 30	
	2006	2005	2006	2005
Share capital				
Balance, beginning of period	\$ 1,183,846	\$ 1,183,846	\$ 1,183,846	\$ 1,052,290
Common shares issued	-	-	-	136,032
Share issuance costs, net of income taxes	-	-	-	(4,476)
Balance, end of period	1,183,846	1,183,846	1,183,846	1,183,846
Contributed surplus				
Balance, beginning of period	90,653	83,636	89,713	83,336
Stock-based compensation (note 9)	970	438	1,910	738
Balance, end of period	91,623	84,074	91,623	84,074
Retained earnings				
Balance, beginning of period	1,771,523	1,060,741	1,619,054	923,983
Net income	205,940	223,614	391,842	382,103
Dividends paid	(33,433)	(21,732)	(66,866)	(43,463)
Other	-	214	-	214
Balance, end of period	1,944,030	1,262,837	1,944,030	1,262,837
Total shareholders' equity	\$ 3,219,499	\$ 2,530,757	\$ 3,219,499	\$ 2,530,757

See accompanying notes to interim consolidated financial statements

ING Canada Inc.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

(in thousands of dollars)

	For the three months ended June 30		For the six months ended June 30	
	2006	2005	2006	2005
Operating activities				
Net income	\$ 205,940	\$ 223,614	\$ 391,842	\$ 382,103
Adjustments to determine cash provided by operating activities:				
Unearned premiums and unpaid claims and loss adjustment expenses, net	187,720	111,949	30,366	(42,021)
Net realized investment and other gains	(34,785)	(46,757)	(142,462)	(89,496)
Deferred acquisition costs, net	(32,326)	(31,776)	(6,549)	(1,290)
Future income taxes	38,182	(2,119)	58,633	22,574
Amortization	4,247	8,110	7,534	16,508
Other, net	231	(529)	116	(808)
Changes in other operating assets and liabilities	(137,144)	139,036	(208,556)	(11,807)
Cash provided by operating activities	232,065	401,528	130,924	275,763
Investing activities				
Proceeds from sale of investments (note 11)	3,390,008	2,736,030	9,708,241	5,708,321
Purchase of investments (note 11)	(3,934,160)	(3,141,559)	(9,893,282)	(5,861,926)
Purchase of brokerages and books of business, net	(35,054)	(11,830)	(35,200)	(12,370)
Proceeds from sale and leaseback of property	-	-	29,803	-
Purchase of property and equipment and other, net	(11,454)	(14,148)	(29,146)	(19,228)
Cash used in investing activities	(590,660)	(431,507)	(219,584)	(185,203)
Financing activities				
Dividends paid	(33,433)	(21,732)	(66,866)	(43,463)
Proceeds from capital issuance	-	-	-	136,032
Debt repayment	-	-	-	(129,230)
Share issuance costs	-	-	-	(6,802)
Cash used in financing activities	(33,433)	(21,732)	(66,866)	(43,463)
Net (decrease) increase in cash and cash equivalents	(392,028)	(51,711)	(155,526)	47,097
Cash and cash equivalents, beginning of period	577,640	181,281	341,138	82,473
Cash and cash equivalents, end of period	\$ 185,612	\$ 129,570	\$ 185,612	\$ 129,570
Supplemental cash flow information:				
Income taxes paid	\$ 71,127	\$ 85,617	\$ 180,352	\$ 250,087
Interest paid on debt outstanding	-	-	3,981	3,981

See accompanying notes to interim consolidated financial statements

1. Basis of presentation

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") for interim financial statements and do not include all the information required for complete financial statements. Except as described below, these interim consolidated financial statements use the same accounting policies as were used for the Company's consolidated financial statements for the year ended December 31, 2005 and should be read in conjunction with the Company's annual consolidated financial statements for the year then ended.

Accounting policy for derivative financial instruments

The usage of derivative financial instruments was expanded in 2006. Derivative financial instruments are used for risk management purposes and for trading purposes. The Company uses currency swaps and forwards, and total return swaps to mitigate foreign exchange and market risks. Interest rate futures, options and swaps, and total return swaps are held for trading purposes.

The Company applies hedge accounting, for certain new hedging instruments, when requirements of the Canadian Institute of Chartered Accountants (CICA) Handbook Accounting Guideline AcG-13 "Hedging Relationship" are met.

Where hedge accounting is used, the following applies:

- (i) The Company formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking its hedge transactions. The Company also formally assesses, both at inception and on an ongoing basis, whether the derivative financial instruments that are used in hedging transactions are effective in offsetting changes in fair values or cash flows of hedged items.
- (ii) Hedge accounting is discontinued prospectively when the derivative financial instrument no longer qualifies as an effective hedge or the derivative is terminated or sold. The fair value of the derivative financial instrument is then accounted for and the related gain or loss is deferred to be included in the consolidated statements of income during the periods in which the hedged item affects earnings. Should the hedged item cease to exist, the gains or losses deferred until then are immediately charged to income.

Currency swaps are used to manage exchange risk related to certain investments in U.S. dollars. These derivative financial instruments are recognized at cost and foreign exchange gains and losses related to the hedged items are not recognized until they are settled.

When hedge accounting cannot be used, derivative financial instruments are recognized at their fair value, with changes in the fair value reflected in the consolidated statements of income during the period in which they arise.

The fair value of derivative financial instruments is based on the quoted market value at the balance sheet closing date. In the absence of this information for a given instrument, different valuation models recognized by financial markets are used to estimate such fair value.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)
(in thousands of dollars)

1. Basis of presentation (continued)

Use of estimates

The preparation of interim financial statements in accordance with Canadian GAAP requires management to make assumptions and estimates that affect the reported amounts of assets and liabilities at the dates of these interim consolidated financial statements, the reported amounts of revenue and expenses for the periods, as well as the disclosure of contingent assets and liabilities. These estimates are subject to uncertainty. Changes in estimates are recorded in the accounting period in which these changes are determined.

2. Investments

Tables 2.1 and 2.2 reflect the Company's investments. Fixed income securities and preferred shares are classified by investment grade and type of issuer.

Table 2.1

As at June 30, 2006

	Book value	Fair value	Gross unrealized gains	Gross unrealized losses
Short-term notes	\$ 769,232	\$ 769,232	\$ -	\$ -
Fixed income securities ^(a)				
Investment grade				
Government and government-guaranteed	1,782,173	1,760,905	2,992	24,260
Corporate	1,061,647	1,046,068	3,596	19,175
Asset-backed	266,602	262,277	328	4,653
Below investment grade	3,771	2,682	-	1,089
Total fixed income securities	3,114,193	3,071,932	6,916	49,177
Mortgage loans	68,154	69,636	1,482	-
Preferred shares				
Investment grade	1,310,923	1,338,557	40,964	13,330
Below investment grade	33,109	34,689	2,120	540
Total preferred shares	1,344,032	1,373,246	43,084	13,870
Common shares	1,565,342	1,610,537	104,055	58,860
Other investments	168,986	168,986	-	-
	\$ 7,029,939	\$ 7,063,569	\$ 155,537	\$ 121,907

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

(in thousands of dollars)

2. Investments (continued)

Table 2.2	As at December 31, 2005			
	Book value	Fair value	Gross unrealized gains	Gross unrealized losses
Short-term notes	\$ 440,435	\$ 440,435	\$ -	\$ -
Fixed income securities ^(a)				
Investment grade				
Government and government-guaranteed	2,043,548	2,091,519	52,545	4,574
Corporate	1,147,059	1,173,535	29,565	3,089
Asset-backed	326,174	327,780	2,910	1,304
Below investment grade	3,983	2,950	-	1,033
Total fixed income securities	3,520,764	3,595,784	85,020	10,000
Mortgage loans	70,347	73,108	2,761	-
Preferred shares				
Investment grade	1,245,117	1,304,977	65,306	5,446
Below investment grade	12,149	14,905	2,796	40
Total preferred shares	1,257,266	1,319,882	68,102	5,486
Common shares	1,266,550	1,430,440	183,641	19,751
Other investments	165,603	165,603	-	-
	\$ 6,720,965	\$ 7,025,252	\$ 339,524	\$ 35,237

(a) Fixed income securities include private placements with a book value of \$97,818 at June 30, 2006 (December 31, 2005 - \$31,618) and a fair value of \$94,406 at June 30, 2006 (December 31, 2005 - \$30,081).

The Company has investments in certain common shares and income trust units pursuant to a market neutral strategy. The objective of this strategy, which consists of having both long and short equity positions, is to maximize the value added from active management. Long and short positions are accounted for at cost. Long positions are included in "investments". Short positions are presented as other liabilities.

Table 2.3 summarizes the Company's long and short positions pursuant to the market neutral strategy.

Table 2.3	As at June 30, 2006		As at December 31, 2005	
	Book value	Fair value	Book value	Fair value
Long positions	\$ 73,622	\$ 74,307	\$ 30,401	\$ 34,180
Short positions	72,318	73,914	30,233	34,220

The Company provides collateral for securities borrowed and delivered pursuant to the sale of short securities. At June 30, 2006, the book value of the collateral was \$74,201 (December 31, 2005 - \$32,041).

To assess impairment, management reviews available current information for investments with fair values below their book values to ascertain whether the book values are expected to be recovered. The impairment losses recorded for the three and six month periods ended June 30, 2006 were \$6,745 and \$9,609, respectively (\$62 and \$62, respectively, in 2005).

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

(in thousands of dollars)

3. Derivative financial instruments

Table 3.1 summarizes the fair value of the derivative financial instruments used by the Company.

Table 3.1	As at June 30, 2006			As at December 31, 2005		
	Positive fair value	Negative fair value	Net	Positive fair value	Negative fair value	Net
Held for non-trading purposes						
Where hedge accounting is applied						
Currency swaps	\$ 1,434	\$ -	\$ 1,434	\$ -	\$ -	\$ -
Where hedge accounting is not applied						
Foreign exchange contracts						
Currency forwards purchased	45	4	41	-	18	(18)
Currency forwards sold	-	124	(124)	86	-	86
Currency swaps	2,337	-	2,337	3,003	-	3,003
Total return swaps	111	2,085	(1,974)	-	-	-
Held for trading purposes						
Interest rate contracts						
Options purchased	985	-	985	-	-	-
Options written	-	694	(694)	-	-	-
Swaps	173	830	(657)	-	-	-
Total return swaps	5	-	5	-	-	-
	\$ 5,090	\$ 3,737	\$ 1,353	\$ 3,089	\$ 18	\$ 3,071

Table 3.2 summarizes the notional amount of the derivative financial instruments used by the Company by term of maturity.

Table 3.2	As at June 30, 2006				As at December 31, 2005			
	One year or less	One year to five years	Over five years	Total	One year or less	One year to five years	Over five years	Total
Held for non-trading purposes								
Where hedge accounting is applied								
Currency swaps	\$ -	\$ -	\$ 51,391	\$ 51,391	\$ -	\$ -	\$ -	\$ -
Where hedge accounting is not applied								
Foreign exchange contracts								
Currency forwards purchased	11,586	-	-	11,586	5,922	-	-	5,922
Currency forwards sold	23,511	-	-	23,511	28,605	-	-	28,605
Currency swaps	4,320	1,504	4,238	10,062	4,320	1,718	8,504	14,542
Total return swaps	382,678	-	-	382,678	-	-	-	-
Held for trading purposes								
Interest rate contracts								
Options purchased	2,376,911	-	-	2,376,911	-	-	-	-
Options written	2,257,162	-	-	2,257,162	-	-	-	-
Swaps	55,815	75,000	-	130,815	-	-	-	-
Futures bought	919,702	-	-	919,702	-	-	-	-
Futures sold	564,871	-	-	564,871	-	-	-	-
Total return swaps	-	27,908	-	27,908	-	-	-	-
	\$ 6,596,556	\$ 104,412	\$ 55,629	\$ 6,756,597	\$ 38,847	\$ 1,718	\$ 8,504	\$ 49,069

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

(in thousands of dollars)

4. Policy liabilities

Policy liabilities are established to reflect the estimate of the full amount of all liabilities associated with the insurance policies at the consolidated balance sheet dates, including claims incurred but not reported. The ultimate cost of these liabilities will vary from the best estimate made for a variety of reasons, including additional information with respect to the facts and circumstances of the claims incurred.

Table 4.1 presents unpaid claims and loss adjustment expenses.

Table 4.1	As at June 30, 2006		As at December 31, 2005	
	Direct	Ceded	Direct	Ceded
Auto: liability	\$ 1,747,407	\$ 36,985	\$ 1,754,126	\$ 42,401
Auto: personal accident	723,713	23,992	717,743	29,557
Auto: other	78,229	333	86,594	1,124
Property	450,354	102,824	504,521	136,948
Liability	751,688	116,426	754,257	119,636
Other	3,710	1,101	4,368	853
	\$ 3,755,101	\$ 281,661	\$ 3,821,609	\$ 330,519

Unpaid claims and loss adjustment expenses are first determined on a case-by-case basis as claims are reported and then reassessed as additional information becomes known. Included in unpaid claims and loss adjustment expenses is a provision to account for the future development of these claims including claims incurred but not reported, as well as a provision for adverse deviations, as required by accepted actuarial practice in Canada. Unpaid claims and loss adjustment expenses are discounted to take into account the time value of money.

In estimating unpaid claims and loss adjustment expenses, standard actuarial techniques are used. These techniques are based on historical loss development factors and payment patterns. They require the use of assumptions such as loss and payment development factors, future rates of claims frequency and severity, inflation, reinsurance recoveries, expenses, changes in the legal environment, changes in the regulatory environment and other matters, taking into consideration the circumstances of the Company and the nature of the insurance policies.

Table 4.2 presents the unearned premiums.

Table 4.2	As at June 30, 2006		As at December 31, 2005	
	Direct	Ceded	Direct	Ceded
Auto: liability	\$ 600,637	\$ 690	\$ 572,700	\$ 647
Auto: personal accident	189,200	68	186,665	60
Auto: other	544,438	18	520,354	7
Property	729,279	3,697	730,386	3,680
Liability	158,920	5,093	158,876	3,238
Other	22,373	9,707	25,856	9,647
	\$ 2,244,847	\$ 19,273	\$ 2,194,837	\$ 17,279

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)
(in thousands of dollars)

4. Policy liabilities (continued)

Unearned premiums are calculated on a pro rata basis from the unexpired portion of the premiums written. The unearned premiums estimate is validated through standard actuarial techniques to ensure that these premiums are sufficient to cover the estimated future costs of servicing these policies and related claims. In estimating these costs, the Company uses discounting techniques to take into account the time value of money and a provision for adverse deviations is added to the discounted amount.

There was no premium deficiency at the consolidated balance sheet dates.

5. Related party transactions

The Company enters into transactions with the controlling shareholder, ING Groep, and entities that are subject to common control or management. These transactions consist of reinsurance, management and advisory expenses, financing charges, as well as advisory fee income. These transactions are carried out in the normal course of operations. Accordingly, they are measured at the amount of consideration paid or received as established and agreed to by the related parties and are settled on a regular basis.

Table 5.1 summarizes the impact of reinsurance ceded to entities that are subject to common control or management on the interim consolidated statements of income.

Table 5.1	For the three months ended June 30		For the six months ended June 30	
	2006	2005	2006	2005
Ceded premiums earned	\$ 3,211	\$ 12,099	\$ 8,118	\$ 24,708
Ceded claims and loss adjustment expenses	2,336	17,958	2,790	24,392
Loss (income) before income taxes	\$ 875	\$ (5,859)	\$ 5,328	\$ 316

Table 5.2 summarizes the other types of transactions with entities that are subject to common control or management.

Table 5.2	For the three months ended June 30		For the six months ended June 30	
	2006	2005	2006	2005
Advisory fee income	\$ 183	\$ 2,487	\$ 358	\$ 4,828
Management and advisory expenses	4,365	4,547	8,753	8,930
Interest expense	1,990	1,990	3,981	3,981

Table 5.3 summarizes the Company's balances with entities that are subject to common control or management.

Table 5.3	As at June 30, 2006	As at December 31, 2005
Reinsurance receivable	\$ 6,337	\$ 230
Interest and other payables	2,654	2,968
	\$ 3,683	\$ (2,738)

The Company enters into transactions with investees presented as long-term investments. Significant balances and transactions with these investees consist of loans, which are classified as investments, of \$63,513 as at June 30, 2006 (\$63,386 as at December 31, 2005) and commission expense of \$9,396 and \$16,622 for the three and six month periods ended June 30, 2006, respectively (\$8,450 and \$15,018, respectively, in 2005).

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)
(in thousands of dollars)

6. Income taxes

Table 6.1 explains the difference, expressed in percentage terms, between the income tax expense and the amount that would have been computed if the federal and provincial statutory tax rates had been applied to income before income taxes:

Table 6.1	For the three months ended June 30		For the six months ended June 30	
	2006	2005	2006	2005
	%	%	%	%
Income tax expense calculated at statutory tax rates	34.5	34.5	34.5	34.5
Increase (decrease) in income tax rates resulting from:				
Non-taxable dividends	(3.5)	(2.8)	(3.6)	(3.1)
Non-deductible expenses	0.2	-	0.3	0.3
Non-taxable portion of capital gains	(0.3)	(0.2)	(0.5)	(0.5)
Other (net)	(0.5)	(0.6)	(0.2)	(0.4)
Effective income tax rate	30.4	30.9	30.5	30.8

7. Acquisitions and divestitures

On April 1, 2006, the Company acquired 100% of the outstanding shares of Grey Power Insurance Brokers Inc. (GPIB), an enterprise operating in the corporate and other segment, for an approximate cash consideration of \$32,686. The results of GPIB for the three months ended June 30, 2006 have been included in the Company's interim consolidated statements of income for the three and six month periods ended June 30, 2006. The purchase price has been allocated substantially to intangible assets (customer relationships), future income tax liabilities and goodwill for amounts of \$18,320, \$6,007 and \$20,288, respectively.

As a result of other acquisitions and divestitures made by subsidiaries of the Company during the first six months of 2006 and amounting to a net cash consideration of \$2,514, intangible assets (customer relationships and contracts) and goodwill have increased by \$2,369 and \$253, respectively.

8. Employee future benefits

The Company recorded defined benefit pension expense of \$59 and \$120 for the three and six month periods ended June 30, 2006, respectively (income of \$582 and \$1,308, respectively, in 2005). For the defined contribution plans, the expense and the employer contributions were \$412 and \$731 for the three and six month periods ended June 30, 2006, respectively (\$361 and \$946, respectively, in 2005).

For other retirement plans offering life insurance and health benefits to retirees, which are closed to active employees, the Company recorded an expense of \$176 and \$354 for the three and six month periods ended June 30, 2006, respectively (\$214 and \$431, respectively, in 2005).

9. Stock-based compensation

A long-term incentive plan (LTIP) was implemented for certain employees commencing 2005. Under this plan, these employees are awarded performance units as a portion of their compensation. Each award vests and pays out at the end of a three-year performance cycle. The actual award varies based on a performance target by comparing the Company's three-year average return on equity relative to that of the Canadian property and casualty insurance industry. The actual award may only be in restricted common shares. Accordingly, this type of compensation is recognized as an expense with a corresponding increase to contributed surplus. The Company re-estimates the number of performance units that are expected to vest at each reporting period. As at June 30, 2006, the estimate is 181,574 units for the 2006-2008 performance cycle with a per unit fair value at grant date of 36 dollars and 79 cents and 363,700 units for the 2005-2007 performance cycle with a per unit fair value at grant date of 26 dollars and 30 cents.

At the time of the payout, the Company intends to purchase shares in the market in an amount equal to the number of vested shares.

The amount charged to compensation expense for this plan was \$970 and \$1,910 for the three and six month periods ended June 30, 2006, respectively (\$456 and \$773, respectively, in 2005). The expense is based on the fair value of the awards at the dates of the grants and represents management's estimate of the payout by reference to the achievement of an expected performance target.

Effective July 1, 2006, employees who are not eligible for the LTIP are entitled to make contributions in accordance with a voluntary employee share purchase plan (ESPP). Under the ESPP, eligible employees can contribute up to 10% of their base earnings through payroll deduction. As an incentive for participation in the plan, the Company will contribute an amount corresponding to 50% of the employee contribution. The shares are bought on the market by an independent broker on the last business day of each month and are held by a custodian on behalf of the employees. The shares bought with the Company's contributions are subject to certain restrictions for a period of twelve months.

10. Segmented information

The Company's core business activity is property and casualty ("P&C") insurance. P&C operations include two manufacturing segments and the investment segment. The manufacturing segments are personal lines and commercial lines. Classes in the personal lines segment include automobile and property. Classes in the commercial lines segment encompass commercial property and liability, automobile, surety, marine, as well as niche products that are targeted towards limited markets requiring specialized underwriting and claim settlement. The effect of reinsurance is reflected in the revenue and results of the manufacturing segments. The investment activities consist of managing the investment portfolio for the Company's P&C insurance subsidiaries. Investment income is shown net of investment expenses. Non P&C segments include corporate and other activities, as well as realized investment and other gains. Corporate and other activities include the results of the Company brokerage operations including related long-term investments, the Company's investment management company and intercompany eliminations consisting primarily of commissions and general expenses with the Company's P&C operations as well as non-recurring items such as acquisitions whose effects are not allocated to any other segment.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)
(in thousands of dollars)

10. Segmented information (continued)

Table 10.1 presents figures per segment.

Table 10.1	For the three months ended June 30		For the six months ended June 30	
	2006	2005	2006	2005
Revenue				
Net premiums earned				
Personal insurance	\$ 670,926	\$ 665,424	\$ 1,325,193	\$ 1,341,202
Commercial insurance	284,779	290,410	567,400	582,635
Investments	80,766	90,850	154,874	164,633
Total P&C insurance	1,036,471	1,046,684	2,047,467	2,088,470
Corporate and other	25,298	18,895	40,461	33,219
Realized investment and other gains	34,785	46,757	142,462	89,496
Total revenue	\$ 1,096,554	\$ 1,112,336	\$ 2,230,390	\$ 2,211,185
Income before income taxes				
Underwriting income				
Personal insurance	\$ 101,443	\$ 114,902	\$ 141,429	\$ 195,304
Commercial insurance	64,203	64,896	104,156	99,438
Investments	74,923	85,210	143,188	153,352
Total P&C insurance	240,569	265,008	388,773	448,094
Corporate and other	20,330	11,898	32,878	14,695
Realized investment and other gains	34,785	46,757	142,462	89,496
Total income before income taxes	\$ 295,684	\$ 323,663	\$ 564,113	\$ 552,285
As at				
			June 30, 2006	December 31, 2005
Assets				
P&C insurance ^(a)			\$ 9,051,245	\$ 9,066,267
Corporate and other ^(b)			1,114,428	860,268
Total assets			\$ 10,165,673	\$ 9,926,535
For the three months ended June 30, 2006				
			For the six months ended June 30, 2006	For the year ended December 31, 2005
Increase of goodwill				
P&C insurance	\$ -	\$ -	\$ -	\$ -
Corporate and other	20,442	20,541	17,246	17,246
Total increase of goodwill	\$ 20,442	\$ 20,541	\$ 17,246	\$ 17,246

(a) Includes goodwill of \$74,411 at June 30, 2006 and December 31, 2005

(b) Includes goodwill of \$54,492 at June 30, 2006 (\$33,951 at December 31, 2005)

11. Comparative figures

In 2005, the Company changed its definition of cash equivalents. As at June 30, 2005, such change resulted in a reclassification of \$262,404 between cash equivalents and investments. Interim consolidated statements of cash flows for the three and six month periods ended June 30, 2005 were changed accordingly by a decrease of amortization of net premiums on fixed income securities of \$1,347 and \$2,734, respectively, and by an increase of proceeds from sale of investments and of purchase of investments respectively of \$684,964 and \$769,409 for the three months ended June 30, 2005 and of \$1,372,684 and \$1,357,614 for the six months ended June 30, 2005.

Certain other comparative figures have been reclassified to conform to the presentation adopted in the current period.