

Ten Year Review

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

For the years ended December 31

(\$ thousands, except per share amounts)	IFRS			CGAAP		CAGR ⁽¹⁾ 5 YEAR %	CGAAP					CAGR ⁽¹⁾ 10 YEAR %
	2012	2011	2010	2009	2008		2007	2006	2005	2004	2003	
Fee income	2,424,574	2,571,076	2,467,813	2,227,028	2,502,516	(2.1)	2,700,961	2,392,298	2,164,472	1,955,740	1,714,373	2.9
Net investment income and other	152,933	161,376	140,874	62,945	165,563	(4.4)	191,227	210,236	181,677	162,180	159,808	1.9
	2,577,507	2,732,452	2,608,687	2,289,973	2,668,079	(2.3)	2,892,188	2,602,534	2,346,149	2,117,920	1,874,181	2.9
Expenses	1,614,919	1,635,154	1,600,831	1,517,343	1,644,729	(0.5)	1,658,371	1,494,613	1,372,222	1,256,555	1,050,722	3.6
	962,588	1,097,298	1,007,856	772,630	1,023,350	(4.8)	1,233,817	1,107,921	973,927	861,365	823,459	1.8
Dilution gain	-	-	-	-	-	-	-	-	-	-	14,820	-
Income before undernoted	962,588	1,097,298	1,007,856	772,630	1,023,350	(4.8)	1,233,817	1,107,921	973,927	861,365	838,279	1.8
Income taxes	191,604	250,497	268,805	216,595	292,551	(11.6)	354,682	331,231	291,500	264,969	299,198	(4.9)
	770,984	846,801	739,051	556,035	730,799	(2.6)	879,135	776,690	682,427	596,396	539,081	4.7
Discontinued operations	-	62,644	1,753	3,057	-	-	-	-	-	-	-	-
Net earnings	770,984	909,445	740,804	559,092	730,799	(2.6)	879,135	776,690	682,427	596,396	539,081	4.6
Perpetual preferred share dividends	8,850	8,850	10,105	-	-	-	-	-	-	-	-	-
Net earnings available to common shareholders	762,134	900,595	730,699	559,092	730,799	(2.8)	879,135	776,690	682,427	596,396	539,081	4.5
Operating earnings available to common shareholders⁽²⁾	749,725	832,991	758,943	618,861	766,142	(2.8)	863,867	763,042	682,427	615,577	533,563	4.3
Diluted earnings per share (\$)												
Net earnings	2.99	3.48	2.78	2.12	2.76	(1.9)	3.29	2.90	2.56	2.24	2.03	4.9
Operating earnings ⁽²⁾	2.94	3.22	2.89	2.34	2.89	(1.9)	3.23	2.85	2.56	2.31	2.01	4.7
Dividends per share (\$)	2.15	2.10	2.05	2.05	2.00	3.8	1.78	1.54	1.34	1.15	0.99	9.6
Return on average common equity (ROE) (%)												
Net earnings	17.6	21.3	17.6	13.3	17.3		21.9	21.4	20.0	19.1	19.1	
Operating earnings ⁽²⁾	17.3	19.7	18.2	14.7	18.2		21.5	21.1	20.0	19.8	18.9	
Average shares outstanding (thousands)												
- Basic	254,853	258,151	261,855	263,217	263,323		264,604	264,724	264,573	264,431	263,915	
- Diluted	255,277	259,075	262,867	264,324	264,808		267,303	267,395	266,609	266,010	265,174	
Share price (closing \$)	41.60	44.23	43.46	42.41	35.45	(3.6)	50.03	49.10	46.12	36.64	31.05	4.5

Includes Investment Planning Counsel from date of acquisition (May 10, 2004).

(1) Compound annual growth rate.

(2) Non-IFRS or non-GAAP Financial Measures – Excludes other items as follows:

2012 – A favourable change in income tax provision estimates of \$24.4 million related to certain tax filings, an after-tax charge of \$5.6 million representing the Company's proportionate share of net changes in Great-West Lifeco Inc.'s litigation provisions, and a non-cash income tax charge of \$6.4 million resulting from increases in Ontario corporate income tax rates and their effect on the deferred income tax liability related to indefinite life intangible assets arising from prior business acquisitions.

2011 – Net earnings from discontinued operations of \$62.6 million and an after-tax benefit of \$5.0 million representing the Company's proportionate share of net changes in Great-West Lifeco Inc.'s (Lifeco) litigation provisions.

2010 – Net earnings from discontinued operations of \$1.8 million, a non-recurring after-tax charge of \$21.8 million related to the transition to IFRS, and an after-tax charge of \$8.2 million representing the Company's proportionate share of Lifeco's incremental litigation provision.

2009 – Net earnings from discontinued operations, a non-cash charge on available for sale equity securities, net of tax, a non-cash income tax benefit and the premium paid on the redemption of Series A preferred shares.

2008 – Proportionate share of Lifeco's after-tax impairment charge and proportionate share of Lifeco's after-tax gain on the sale of its healthcare business, Great-West Healthcare.

2007 – Non-cash income tax benefit.

2006 – Non-cash income tax benefit.

2004 – Unitbolder compensation.

2003 – Dilution gain, restructuring reversal and non-cash income tax charge.

Ten Year Review

STATISTICAL INFORMATION

For the years ended December 31

(\$ millions)	2012	2011	2010	2009	2008	CAGR ⁽¹⁾		2007	2006	2005	2004	2003	CAGR ⁽¹⁾	
						5 YEAR	%						10 YEAR	%
Mutual funds														
Investors Group														
Sales	5,778	6,021	5,748	5,042	5,946	(4.4)		7,229	6,190	5,488	4,722	4,021		1.6
Redemption rates (%)														
– total	11.0	9.8	9.4	9.0	9.4			8.4	9.0	10.0	10.6	12.8		
– long-term funds	10.0	8.8	8.3	7.4	7.9			7.3	7.9	8.7	9.1	10.7		
Net sales (redemptions)	(724)	39	253	404	625	N/M		2,158	1,345	778	218	(839)		N/M
Assets under management	60,595	57,735	61,785	57,655	47,491	0.1		60,194	58,216	50,701	44,510	40,904		4.9
Mackenzie⁽²⁾														
Sales	5,490	5,645	5,848	4,905	7,949	(8.3)		8,453	8,424	8,075	6,786	5,282		(0.9)
Redemption rates (%)														
– total	18.7	16.9	18.1	17.5	22.4			17.8	17.8	17.6	16.9	17.3		
– long-term funds	17.9	15.8	16.5	14.6	18.7			14.1	15.2	14.8	13.8	13.0		
Net sales (redemptions)	(1,974)	(1,548)	(1,519)	(1,566)	(1,553)	N/M		(89)	658	1,175	795	(69)		N/M
Assets under management	40,394	39,141	43,452	40,624	35,814	(2.8)		46,563	46,600	41,592	37,298	33,770		2.7
Investment Planning Counsel														
Sales	401	543	499	343	244	2.0		364	352	407	259			N/A
Redemption rates (%)														
– total	14.7	11.1	12.7	12.7	15.8			9.8	9.8	10.2	10.5			
– long-term funds	14.3	10.9	12.0	11.6	14.8			9.4	9.4	9.7	9.5			
Net sales (redemptions)	(24)	225	204	106	(80)	N/M		139	155	237	161			N/A
Assets under management	2,950	2,811	2,688	2,140	1,740	5.4		2,268	2,206	1,858	1,497			N/A
Combined mutual fund assets under management⁽³⁾														
	103,915	99,685	107,925	100,419	85,025	(0.9)		108,994	106,987	94,116	83,273	74,674		4.3
Total assets under management⁽³⁾														
	120,694	118,713	129,484	120,545	101,742	(0.4)		122,982	119,364	100,233	86,621	76,737		5.6
Corporate assets⁽⁴⁾														
	11,973	11,160	12,237	8,662	8,263	N/M		7,859	7,333	6,807	6,473	6,292		N/M
Consultants – Investors Group														
	4,518	4,608	4,686	4,633	4,479	0.8		4,331	3,917	3,668	3,496	3,223		3.1

(1) Compound annual growth rate.

(2) For Canadian mutual fund operations only.

(3) Adjusted for inter-segment assets.

(4) 2010 to 2012 reflect corporate assets under IFRS. 2003 to 2009 reflect corporate assets under CGAAP.

N/A Investment Planning Counsel was acquired May 10, 2004.