

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 %	
	2013	2012	2011	2010	2009		2008	2007	2006	2005		2004
	RESTATED											
Fee income	2,513,186	2,424,574	2,571,076	2,467,813	2,227,028	0.1	2,502,516	2,700,961	2,392,298	2,164,472	1,955,740	3.9
Net investment income and other	176,836	152,582	161,376	140,874	62,945	1.3	165,563	191,227	210,236	181,677	162,180	1.0
	2,690,022	2,577,156	2,732,452	2,608,687	2,289,973	0.2	2,668,079	2,892,188	2,602,534	2,346,149	2,117,920	3.7
Expenses	1,708,642	1,618,989	1,635,154	1,600,831	1,517,343	0.8	1,644,729	1,658,371	1,494,613	1,372,222	1,256,555	5.0
Income before undernoted	981,380	958,167	1,097,298	1,007,856	772,630	(0.8)	1,023,350	1,233,817	1,107,921	973,927	861,365	1.6
Income taxes	210,626	190,504	250,497	268,805	216,595	(6.4)	292,551	354,682	331,231	291,500	264,969	(3.4)
	770,754	767,663	846,801	739,051	556,035	1.1	730,799	879,135	776,690	682,427	596,396	3.6
Discontinued operations	–	–	62,644	1,753	3,057	–	–	–	–	–	–	–
Net earnings	770,754	767,663	909,445	740,804	559,092	1.1	730,799	879,135	776,690	682,427	596,396	3.6
Perpetual preferred share dividends	8,850	8,850	8,850	10,105	–	–	–	–	–	–	–	–
Net earnings available to common shareholders	761,904	758,813	900,595	730,699	559,092	0.8	730,799	879,135	776,690	682,427	596,396	3.5
Operating earnings available to common shareholders⁽²⁾	763,510	746,404	832,991	758,943	618,861	(0.1)	766,142	863,867	763,042	682,427	615,577	3.6
Diluted earnings per share (\$)												
Net earnings	3.02	2.97	3.48	2.78	2.12	1.8	2.76	3.29	2.90	2.56	2.24	4.1
Operating earnings ⁽²⁾	3.02	2.92	3.22	2.89	2.34	0.9	2.89	3.23	2.85	2.56	2.31	4.2
Dividends per share (\$)	2.15	2.15	2.10	2.05	2.05	1.5	2.00	1.78	1.54	1.34	1.15	8.1
Return on average common equity (ROE) (%)												
Net earnings	17.3	17.6	21.3	17.6	13.3	–	17.3	21.9	21.4	20.0	19.1	–
Operating earnings ⁽²⁾	17.3	17.3	19.7	18.2	14.7	–	18.2	21.5	21.1	20.0	19.8	–
Average shares outstanding (thousands)												
– Basic	252,013	254,853	258,151	261,855	263,217	–	263,323	264,604	264,724	264,573	264,431	–
– Diluted	252,474	255,277	259,075	262,867	264,324	–	264,808	267,303	267,395	266,609	266,010	–
Share price (closing \$)	56.09	41.60	44.23	43.46	42.41	9.6	35.45	50.03	49.10	46.12	36.64	6.1

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:

- 2013 – An after-tax charge of \$10.6 million related to restructuring and other charges and an after-tax benefit of \$9.0 million representing the Company's proportionate share of net changes in Great-West Lifeco Inc.'s (Lifeco) litigation provision.
- 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 Lifeco'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 Lifeco's 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 – Unitholder compensation.

Ten Year Review

STATISTICAL INFORMATION

For the years ended December 31

(\$ millions)	2013	2012	2011	2010	2009	CAGR ⁽¹⁾		2008	2007	2006	2005	2004	CAGR ⁽¹⁾	
						5 YEAR	%						10 YEAR	%
Mutual funds														
Investors Group														
Sales	6,668	5,778	6,021	5,748	5,042	2.3		5,946	7,229	6,190	5,488	4,722		5.2
Redemption rates (%)														
– total	10.2	11.0	9.8	9.4	9.0			9.4	8.4	9.0	10.0	10.6		
– long-term funds	9.4	10.0	8.8	8.3	7.4			7.9	7.3	7.9	8.7	9.1		
Net sales (redemptions)	159	(724)	39	253	404	(23.9)		625	2,158	1,345	778	218		N/M
Assets under management	68,255	60,595	57,735	61,785	57,655	7.5		47,491	60,194	58,216	50,701	44,510		5.3
Mackenzie⁽²⁾														
Sales	6,700	5,490	5,645	5,848	4,905	(3.4)		7,949	8,453	8,424	8,075	6,786		2.4
Redemption rates (%)														
– total	16.7	18.7	16.9	18.1	17.5			22.4	17.8	17.8	17.6	16.9		
– long-term funds	16.0	17.9	15.8	16.5	14.6			18.7	14.1	15.2	14.8	13.8		
Net sales (redemptions)	(487)	(1,974)	(1,548)	(1,519)	(1,566)	20.7		(1,553)	(89)	658	1,175	795		(21.6)
Assets under management	46,024	40,394	39,141	43,452	40,624	5.1		35,814	46,563	46,600	41,592	37,298		3.1
Investment Planning Counsel														
Sales	485	401	543	499	343	14.7		244	364	352	407	259		N/A
Redemption rates (%)														
– total	13.8	14.7	11.1	12.7	12.7			15.8	9.8	9.8	10.2	10.5		
– long-term funds	13.2	14.3	10.9	12.0	11.6			14.8	9.4	9.4	9.7	9.5		
Net sales (redemptions)	52	(24)	225	204	106	N/M		(80)	139	155	237	161		N/A
Assets under management	3,406	2,950	2,811	2,688	2,140	14.4		1,740	2,268	2,206	1,858	1,497		N/A
Combined mutual fund assets under management⁽³⁾														
	117,649	103,915	99,685	107,925	100,419	6.7		85,025	108,994	106,987	94,116	83,273		4.7
Total assets under management⁽³⁾														
	131,777	120,694	118,713	129,484	120,545	5.3		101,742	122,982	119,364	100,233	86,621		5.6
Corporate assets⁽⁴⁾														
	12,880	11,962	11,144	12,237	8,662	N/M		8,263	7,859	7,333	6,807	6,473		N/M
Consultants – Investors Group														
	4,673	4,518	4,608	4,686	4,633	0.9		4,479	4,331	3,917	3,668	3,496		3.8

(1) Compound annual growth rate.

(2) For Canadian mutual fund operations only.

(3) Adjusted for inter-segment assets.

(4) 2010 to 2013 reflect corporate assets under IFRS. 2004 to 2009 reflect corporate assets under CGAAP. 2011 and 2012 corporate assets have been restated.

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