

Ten Year Review

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

For the years ended December 31

(\$ thousands, except per share amounts)	IFRS					CAGR ⁽¹⁾ 5 YEAR %	CGAAP					CAGR ⁽¹⁾ 10 YEAR %
	2014	2013	2012	2011	2010		2009	2008	2007	2006	2005	
	RESTATED											
Fee income	2,762,578	2,513,186	2,424,574	2,571,076	2,467,813	4.4	2,227,028	2,502,516	2,700,961	2,392,298	2,164,472	3.5
Net investment income and other	164,706	176,836	152,582	161,376	140,874	21.2	62,945	165,563	191,227	210,236	181,677	0.2
	2,927,284	2,690,022	2,577,156	2,732,452	2,608,687	5.0	2,289,973	2,668,079	2,892,188	2,602,534	2,346,149	3.3
Expenses	1,962,321	1,708,642	1,618,989	1,635,154	1,600,831	5.3	1,517,343	1,644,729	1,658,371	1,494,613	1,372,222	4.6
Income before undernoted	964,963	981,380	958,167	1,097,298	1,007,856	4.5	772,630	1,023,350	1,233,817	1,107,921	973,927	1.1
Income taxes	202,862	210,626	190,504	250,497	268,805	(1.3)	216,595	292,551	354,682	331,231	291,500	(2.6)
	762,101	770,754	767,663	846,801	739,051	6.5	556,035	730,799	879,135	776,690	682,427	2.5
Discontinued operations	-	-	-	62,644	1,753		3,057	-	-	-	-	
Net earnings	762,101	770,754	767,663	909,445	740,804	6.4	559,092	730,799	879,135	776,690	682,427	2.5
Perpetual preferred share dividends	8,850	8,850	8,850	8,850	10,105		-	-	-	-	-	
Net earnings available to common shareholders	753,251	761,904	758,813	900,595	730,699	6.1	559,092	730,799	879,135	776,690	682,427	2.4
Operating earnings available to common shareholders⁽²⁾	826,100	763,510	746,404	832,991	758,943	5.9	618,861	766,142	863,867	763,042	682,427	3.0
Diluted earnings per share⁽²⁾ (\$)												
Net earnings	2.98	3.02	2.97	3.48	2.78	7.0	2.12	2.76	3.29	2.90	2.56	2.9
Operating earnings ⁽²⁾	3.27	3.02	2.92	3.22	2.89	6.9	2.34	2.89	3.23	2.85	2.56	3.5
Dividends per share⁽²⁾ (\$)	2.18	2.15	2.15	2.10	2.05	1.2	2.05	2.00	1.78	1.54	1.34	6.6
Return on average common equity (ROE) (%)												
Net earnings	16.2	17.3	17.6	21.3	17.6		13.3	17.3	21.9	21.4	20.0	
Operating earnings ⁽²⁾	17.8	17.3	17.3	19.7	18.2		14.7	18.2	21.5	21.1	20.0	
Average shares outstanding^(thousands)												
- Basic	252,108	252,013	254,853	258,151	261,855		263,217	263,323	264,604	264,724	264,573	
- Diluted	252,778	252,474	255,277	259,075	262,867		264,324	264,808	267,303	267,395	266,609	
Share price^(closing \$)	46.31	56.09	41.60	44.23	43.46	1.8	42.41	35.45	50.03	49.10	46.12	2.4

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:

- 2014 – an after-tax charge of \$59.2 million related to distributions to clients, as well as other costs and an after-tax charge of \$13.6 million related to restructuring and other charges.
- 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.

Ten Year Review

STATISTICAL INFORMATION

For the years ended December 31

(\$ millions)	2014	2013	2012	2011	2010	CAGR ⁽¹⁾		2009	2008	2007	2006	2005	CAGR ⁽¹⁾	
						5 YEAR	%						10 YEAR	%
Mutual funds														
Investors Group														
Sales	7,461	6,668	5,778	6,021	5,748	8.2		5,042	5,946	7,229	6,190	5,488		4.7
Redemption rates (%)														
– total	9.5	10.2	11.0	9.8	9.4			9.0	9.4	8.4	9.0	10.0		
– long-term funds	8.7	9.4	10.0	8.8	8.3			7.4	7.9	7.3	7.9	8.7		
Net sales (redemptions)	651	159	(724)	39	253	10.0		404	625	2,158	1,345	778		11.6
Assets under management	73,459	68,255	60,595	57,735	61,785	5.0		57,655	47,491	60,194	58,216	50,701		5.1
Mackenzie⁽²⁾														
Sales	7,070	6,700	5,490	5,645	5,848	7.6		4,905	7,949	8,453	8,424	8,075		0.4
Redemption rates (%)														
– total	15.1	16.7	18.7	16.9	18.1			17.5	22.4	17.8	17.8	17.6		
– long-term funds	14.6	16.0	17.9	15.8	16.5			14.6	18.7	14.1	15.2	14.8		
Net sales (redemptions)	(209)	(487)	(1,974)	(1,548)	(1,519)	33.2		(1,566)	(1,553)	(89)	658	1,175		N/A
Assets under management	48,782	46,024	40,394	39,141	43,452	3.7		40,624	35,814	46,563	46,600	41,592		2.7
Investment Planning Counsel														
Sales	682	485	401	543	499	14.7		343	244	364	352	407		N/A
Redemption rates (%)														
– total	12.9	13.8	14.7	11.1	12.7			12.7	15.8	9.8	9.8	10.2		
– long-term funds	12.6	13.2	14.3	10.9	12.0			11.6	14.8	9.4	9.4	9.7		
Net sales (redemptions)	207	52	(24)	225	204	14.3		106	(80)	139	155	237		N/A
Assets under management	3,850	3,406	2,950	2,811	2,688	12.5		2,140	1,740	2,268	2,206	1,858		9.9
Combined mutual fund assets under management⁽³⁾														
	126,039	117,649	103,915	99,685	107,925	4.6		100,419	85,025	108,994	106,987	94,116		4.2
Total assets under management⁽³⁾														
	141,919	131,777	120,694	118,713	129,484	3.3		120,545	101,742	122,982	119,364	100,233		5.1
Corporate assets⁽⁴⁾														
	14,417	12,880	11,962	11,144	12,237	N/A		8,662	8,263	7,859	7,333	6,807		N/A
Consultants – Investors Group														
	5,145	4,673	4,518	4,608	4,686	2.1		4,633	4,479	4,331	3,917	3,668		3.9

(1) Compound annual growth rate.

(2) For Canadian mutual fund operations only.

(3) Adjusted for inter-segment assets.

(4) 2010 to 2014 reflect corporate assets under IFRS. 2005 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.