

FINANCIAL HIGHLIGHTS

FOR THE YEARS ENDED DECEMBER 31 [in millions of Canadian dollars, except per share amounts]	2010	2009
Revenues	32,427	32,697
Operating earnings	1,733	1,533
Operating earnings per common share	2.31	2.05
Net earnings	1,584	1,439
Net earnings per common share	2.10	1.92
Dividends declared per common share	1.40	1.40
Total assets	143,255	140,231
Total assets and assets under management	490,839	471,775
Shareholders' equity	13,184	13,207
Book value per common share	15.79	16.27
Common shares outstanding (in millions)	708.0	705.7

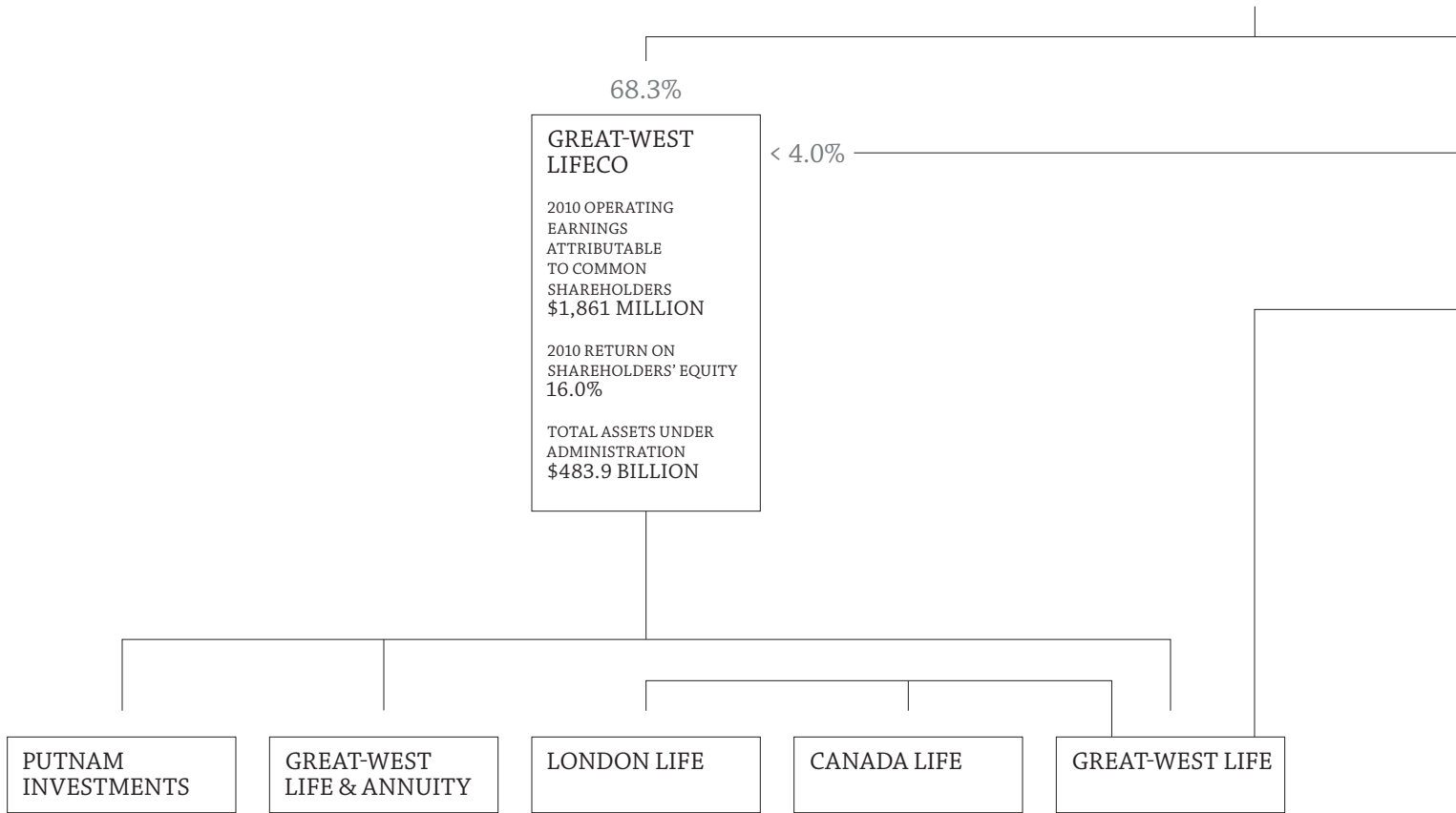
The Corporation uses operating earnings as a performance measure in analysing its financial performance. For a discussion of the Corporation's use of non-GAAP financial measures, please refer to the Review of Financial Performance section in this Annual Report.

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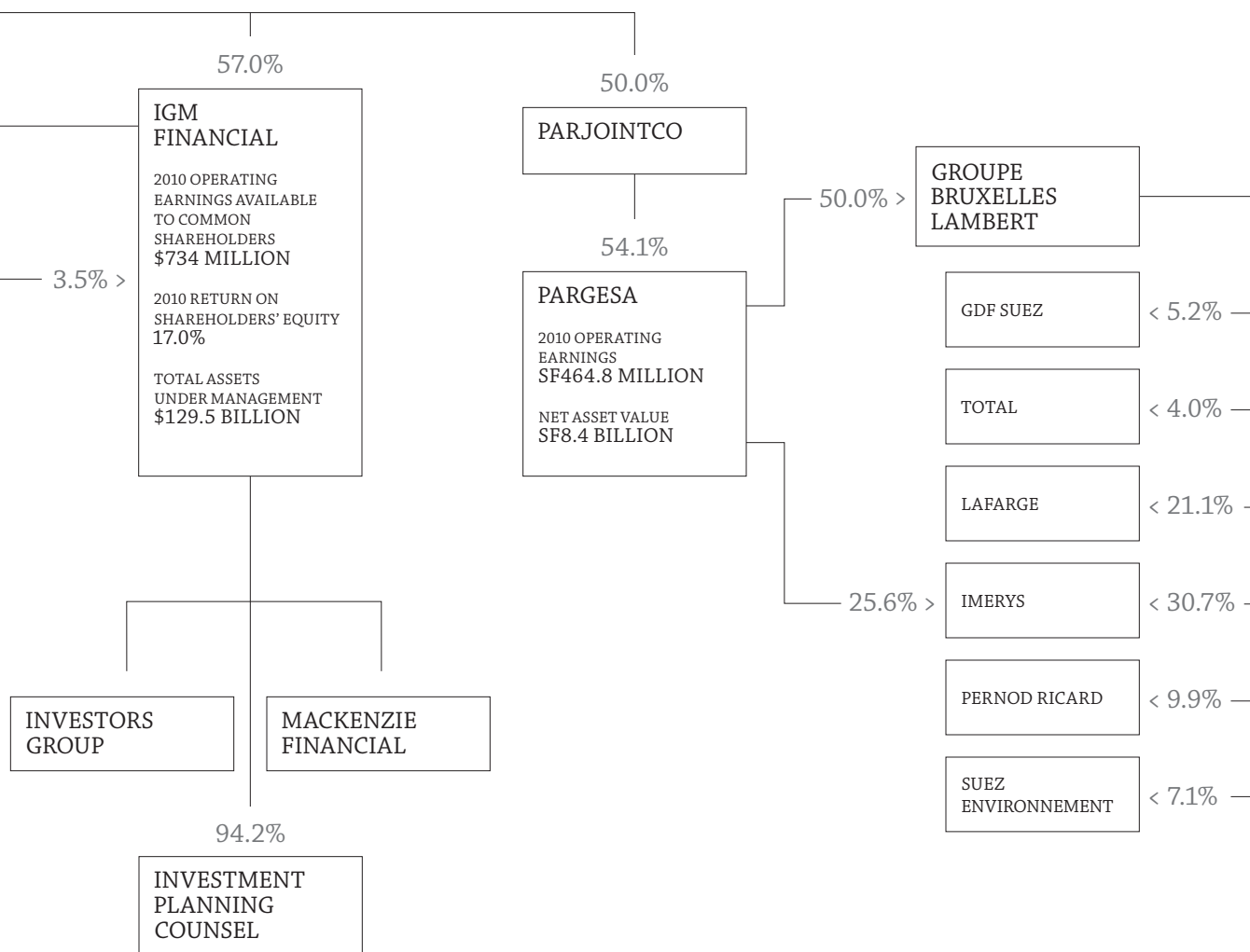
GROUP ORGANIZATION CHART

POWER FINANCIAL



Power Financial Corporation is a diversified management and holding company that has interests, directly or indirectly, in companies in the financial services sector in Canada, the United States and Europe. It also has substantial holdings in a diversified industrial group based in Europe.

CORPORATION



Companies are wholly owned unless otherwise noted.

Percentages denote participating equity interest as at December 31, 2010.

Operating earnings is a non-GAAP financial measure.

Return on shareholders' equity is calculated using operating earnings.

2010
OPERATING
EARNINGS

\$1,733
MILLION

2010 RETURN ON
SHAREHOLDERS'
EQUITY

14.6%

TOTAL ASSETS
AND ASSETS UNDER
MANAGEMENT

\$490.8
BILLION

TOTAL ASSETS
UNDER
ADMINISTRATION

\$613.4
BILLION

BUSINESS SUMMARY

GREAT-WEST LIFECO

GREAT-WEST LIFE

LONDON LIFE

FREEDOM 55 FINANCIAL™

CANADA LIFE

GREAT-WEST LIFE &
ANNUITY

PUTNAM
INVESTMENTS

CANADA

PRODUCTS & SERVICES

- > Life, disability and critical illness insurance for individuals, business owners and families
- > Retirement savings and income plans for individuals and groups
- > Fund management, investment and advisory services
- > Comprehensive benefit solutions for small, medium and large employer groups
- > Creditor insurance, including life, disability, job loss and critical illness coverage
- > Life, health, accident and critical illness insurance for members of affinity groups

UNITED
STATES

- > Employer-sponsored defined contribution plans
- > Administrative and record-keeping services for financial institutions and retirement plans
- > Fund management, investment and advisory services
- > Individual and business-owned life insurance, annuities and executive benefits products
- > Global asset management in mutual funds and institutional portfolios
- > 401(k)s, IRAs, other retirement plans and variable annuities

EUROPE

- > Protection and wealth management products and related services in the United Kingdom, the Isle of Man, Ireland and Germany
- > Reinsurance and retrocession business, primarily in the United States and European markets

IGM FINANCIAL

INVESTORS GROUP

MACKENZIE FINANCIAL

INVESTMENT PLANNING COUNSEL

PRODUCTS & SERVICES

- > Financial advice and planning for individual Canadians
- > Family of exclusive mutual funds with multiple sub-brands
- > Institutional asset management mandates
- > Insurance, *Solutions Banking*, mortgage and trust company products and services

PARGESA

PRODUCTS & SERVICES

- > Core shareholder investing in Europe
- > Concentrated positions in a limited number of large industrial companies based in Europe
- > Seeking to exercise significant influence or control over its investments

DISTRIBUTION CHANNELS

- > Gold Key financial security advisors associated with Great-West Life
- > Freedom 55 Financial™ and Wealth & Estate Planning Group financial security advisors associated with London Life
- > Independent advisors associated with managing general agencies
- > National accounts, including Investors Group
- > Great-West Life group insurance and retirement sales and service staff in offices across Canada that support independent advisors, brokers and benefit consultants distributing its group products

MARKET POSITION

- > Serves the financial security needs of more than 12 million Canadians
- > 26% market share of individual life insurance measured by premium^[1]
- > 26% market share of individual living benefits measured by premium^[1]
- > 26% market share of individual segregated funds^[2]
- > 22% market share of group insurance^[3]
- > 20% market share of group capital accumulation plans, serving 1.2 million member accounts^[4]
- > Leading market share for creditor insurance revenue premium

[1] As at September 30, 2010

[2] As at December 31, 2010

[3] As at December 31, 2009

[4] As at June 30, 2010; *Benefits Canada* 2010 CAP report data

- > Brokers, consultants, advisors and third-party administrators
- > Financial institutions
- > Sales and service staff and specialized consultants
- > Services institutional and retail clients and consultants worldwide through joint ventures, dedicated account management teams and intermediary relationships

- > 10.9 million U.S. customers
- > 4.4 million U.S. participant accounts in defined contribution plans
- > Putnam earned the No. 1 ranking in the 2009 *Lipper/Barron's* Fund Families Survey based on dramatic gains by individual funds and advancements across the entire fund complex, and was again ranked among the top 15 U.S. mutual fund families by *Lipper/Barron's* in their 2010 Fund Families report.
- > Over 165,000 advisors distribute Putnam funds

- > Independent financial advisors and employee benefit consultants in the U.K. and Isle of Man
- > Independent brokers and direct sales force in Ireland
- > Independent brokers and multi-tied agents in Germany
- > Independent reinsurance brokers
- > Direct placements

- U.K. and Isle of Man*^[1]
 - > 33% share of group life market
 - > 20% share of group income protection market
 - > 16% share of offshore single premium investment product market

- > Among the top insurers in payout annuities, with 7% market share

- Ireland*^[1]
 - > Among top six insurers by new business market share
 - > 5% of life assurance market

- Germany*^[1]
 - > Among the top eight in the overall unit-linked market
- > Among top ten life reinsurers in the U.S. by assumed business

[1] Market shares for Europe as at September 30, 2010

DISTRIBUTION CHANNELS

- > Investors Group network of 4,686 consultants
- > Mackenzie sales and service for financial advisors across all wealth management channels (over 30,000 financial advisors)
- > Investment Planning Counsel has over 900 independent financial planners
- > Institutional asset management sales force
- > Relationship with Canadian Medical Association

MARKET POSITION

- > \$129.5 billion in assets under management
- > Market-share leader in long-term mutual fund assets under management
- > \$24.9 billion in institutional, sub-advised and other mandates with Mackenzie

GROUP HOLDINGS

- | | |
|---------------------------|---|
| <i>Lafarge</i> | > One of the world leaders in cement, aggregates, concrete and gypsum |
| <i>Imerys</i> | > A world leader in industrial minerals |
| <i>Total</i> | > An international integrated oil and gas company |
| <i>GDF Suez</i> | > A leading energy provider in electricity and natural gas |
| <i>Suez Environnement</i> | > An international water and waste management company |
| <i>Pernod Ricard</i> | > The world co-leader in wines and spirits |

PERFORMANCE RECORD

- > Strong and consistent dividend payout; \$2.5 billion over 15 years
- > Consistent outperformance of relevant equity market indices over the long term
- > Fifteen-year total return to shareholders of 10.2% (SF), compared with 6.9% (SF) for the Swiss SPI index and 7.7% (€) for the French CAC 40 index