

GREAT-WEST LIFECO

Great-West Lifeco Inc. is an international financial services holding company with interests in life insurance, health insurance, retirement and investment services, asset management and reinsurance businesses. Great-West Lifeco has operations in Canada, the United States, Europe and Asia through The Great-West Life Assurance Company, London Life Insurance Company, The Canada Life Assurance Company, Great-West Life & Annuity Insurance Company and Putnam Investments, LLC. Great-West Lifeco and its companies have \$546 billion in assets under administration.

Great-West Lifeco's financial condition continues to be very solid as a result of its continued strong performance in 2012. The company delivered superior results compared to peer companies in its industry due to strong organic growth of premiums and deposits, and solid investment performance, despite challenging market conditions.

Great-West Lifeco's companies continue to benefit from prudent and conservative investment policies and practices with respect to the management of their consolidated assets. In addition, Great-West Lifeco's conservative product underwriting standards and disciplined approach to introducing new products have proved beneficial for the company and its subsidiaries over the long term.

Also, Great-West Lifeco's approach to asset/liability management has minimized its exposure to interest rate movements. In Canada, the company continued to offer segregated fund guarantees in a prudent and disciplined manner, thereby limiting its risk exposure. As a result, Great-West Lifeco's balance sheet is one of the strongest in the industry.

The Minimum Continuing Capital and Surplus Requirements (MCCSR) ratio for Great-West Life was 207 per cent on a consolidated basis at December 31, 2012.

This measure of capital strength remains at the upper end of Great-West Lifeco's target operating range.

At December 31, 2012, Great-West Lifeco held cash and cash equivalents of approximately \$0.5 billion, which includes an intercompany loan repaid on January 15, 2013. As this cash is held at Great-West Lifeco, it is not reflected in the regulatory capital ratios of its operating subsidiaries.

It augments the company's capital and liquidity position, thereby enhancing its capability to take advantage of market opportunities.

GREAT-WEST LIFE LONDON LIFE CANADA LIFE

Great-West Life is a leading Canadian insurer, with interests in life insurance, health insurance, investment, savings and retirement income and reinsurance businesses, primarily in Canada and Europe.

In Canada, Great-West Life and its subsidiaries, London Life and Canada Life, offer a broad portfolio of financial and benefit plan solutions and serve the financial security needs of more than 12 million people.

GREAT-WEST LIFE

Great-West Life's products include a wide range of investment, savings and retirement income plans and payout annuities, as well as life, disability, critical illness and health insurance for individuals and families. These products and services are distributed through a diverse network of financial security advisors and brokers associated with Great-West Life; financial security advisors associated with London Life's Freedom 55 Financial division and the Wealth & Estate Planning Group; and the distribution channels Canada Life supports, including independent advisors associated with managing general agencies, as well as national accounts, including Investors Group.

For large and small businesses and organizations, Great-West Life offers a variety of group benefit plan solutions featuring options such as life, health care, dental care, critical illness, disability, wellness, and international benefits, plus convenient online services. The company also offers group retirement and savings plans that are tailored to the unique needs of businesses and organizations.

These products and services are distributed through financial security advisors associated with our companies, as well as independent advisors, brokers and consultants.

In 2012, Great-West Life and its subsidiaries in Canada and Europe continued to deliver strong performance. Our conservative investment practices and disciplined approach to introducing new products and managing expenses have served us well over the long term and position us well for organic growth.

In Canada, Great-West Life, together with London Life and Canada Life, maintained leading market positions in our individual and group businesses. This was achieved by focusing on three broad goals in 2012: improving products and services for clients and advisors, maintaining strong financial discipline, and improving tools, information and processes to enable greater productivity and effectiveness.

Group retirement services business recorded strong growth, group insurance business continued to experience excellent persistency, and individual segregated fund and mutual fund businesses maintained positive net cash flows.



LONDON LIFE

London Life offers financial security advice and planning through its more than 3,400-member Freedom 55 Financial division. Freedom 55 Financial offers London Life's own brand of investments, savings and retirement income, annuities, life insurance and mortgage products. Within Freedom 55 Financial, the Wealth & Estate Planning Group is a specialized segment of advisors focused on meeting the complex needs of affluent Canadians.

In addition, financial security advisors associated with London Life offer a broad range of financial products from other financial institutions. A London Life subsidiary, Quadrus Investment Services Ltd., offers 44 exclusive mutual funds under the Quadrus Group of Funds™ brand.

The relationship the company has with advisors supports the very strong persistency of its business, provides a strategic advantage and contributes to strong market share across multiple lines of business.

CANADA LIFE

In Canada, Canada Life offers a broad range of insurance and wealth management products and services for individuals, families and business owners from coast to coast. These products include investments, savings and retirement income, annuities, life, disability and critical illness insurance.

Canada Life, together with Great-West Life, is a leading provider of individual disability and critical illness insurance in Canada.

Canada Life is the leading provider of creditor insurance in Canada for mortgages, loans, credit cards, lines of credit and leases through leading financial institutions, automobile dealerships and other lending institutions.

CANADA LIFE

Canada Life in Europe provides a broad range of insurance and wealth management products, including: payout annuities, investments and group insurance in the United Kingdom; individual insurance and savings, as well as pension products in Ireland; and pensions, critical illness and disability insurance in Germany.

As a result of a continued focus on credit and expense controls, Canada Life's European operations were in a strong position coming into 2012, and this focus was maintained throughout the year.

In the U.K., the company faces a period of change with legislation affecting distribution and Europe-wide legislation on gender equality in pricing, although the proposed implementation of the Solvency II rules has been delayed. Annuity business premium volumes grew but sales of U.K.- and Isle of Man-originated wealth management products were challenged by difficult market conditions.

In the company's group insurance business, in force premium levels were maintained although general economic conditions adversely affected sales.

In Ireland, sales to intermediaries performed well in 2012 due to the launch of an award-winning Guaranteed Minimum Withdrawal Benefit (GMWB) product, a widening of fund offerings and strong investment performance on core fund offerings. However, sales in the direct sales channel were impacted by lower agent numbers and a further fall in the new business market.

In Germany, Canada Life is one of the leading insurers for unit-linked products in the independent broker segment. Its income protection and retirement savings products were enhanced, and its serious illness and GMWB products retained their status as the leading products in their categories in a poll of insurance intermediaries.

A recent survey of intermediaries indicated improved ratings for Canada Life in the targeted areas of products, broker support and technology.

The sales environment was challenging in early 2012 but sales grew in the last few months of the year.

Through its Reinsurance Division, Canada Life is a leading provider of traditional mortality, structured and longevity reinsurance solutions for life insurers in the United States and in international markets.

Strong results for reinsurance in 2012 reflect continued robust demand for structured life reinsurance in the U.S. and longevity reinsurance in Europe. Canada Life continues to monitor the global reinsurance markets for potential business opportunities.

GREAT-WEST FINANCIAL

Great-West Financial® is a leading provider of employer-sponsored retirement savings plans. It offers fund management, investment and advisory services as well as record-keeping and administrative services for other retirement plan providers. Great-West Financial also offers business-owned life insurance, executive benefits products, individual retirement accounts, life insurance and annuities. It markets its products and services nationwide through its sales force and distribution partners.

In 2012, Great-West Life & Annuity introduced a single brand identity, Great-West Financial, across all lines of business. The clarity of one brand with a focused message will build name recognition and create stronger brand equity to augment growth.

Diverse products, expanded partnerships and enhanced tools also contributed to solid growth. Business-owned life insurance sales rose 20 per cent, 401(k) plan sales increased 14 per cent, and single premium life insurance sales jumped 56 per cent over 2011.

The nine business initiatives that make up an aggressive five-year strategic plan were implemented. The projects include strategies to increase sales, improve retention and boost assets under management.

Great-West Financial launched two retail retirement income products, securing agreements with five distribution partners. Individual retirement account sales grew 50 per cent as part of an effort to provide enhanced distribution education services to terminated group plan participants. An initiative to increase participant account balances garnered US\$916 million in roll-ins to existing plans.

New tools equipped 401(k) sales employees to increase their productivity and enhance their effectiveness with advisors, third-party administrators and prospects. To improve clients' experience and ultimately increase retention, service functions were re-engineered to speed responsiveness. The rollout of a new client relationship management system also advanced the client experience.

Managed account program assets rose 28 per cent. The Great-West Lifetime Funds grew 89 per cent to become the 14th largest U.S. target date fund offering.

PUTNAM INVESTMENTS

Putnam Investments is a global asset manager and retirement plan provider, offering investment management services across a range of equity, fixed income, global asset allocation and alternative strategies, including absolute return, risk parity and hedge funds, for individuals and institutions. Putnam distributes those services largely through intermediaries and its own institutional sales force via its offices and strategic alliances in North America, Europe, and Asia, including through its recently opened Beijing office—its first in China.

Putnam's assets under management ended 2012 at US\$128 billion, reflecting favorable market conditions as well as positive sales momentum at PanAgora Asset Management, Inc., Putnam's quantitative institutional manager, and in several key retail product offerings, such as the Putnam Spectrum Funds, Short Duration Income Fund, and Dynamic Risk Allocation Fund.

Putnam made substantial progress this year toward its goal of delivering superior investment performance through innovative product offerings, while maintaining award-winning customer service. The firm was named the top U.S. fund family by *Barron's* for 2012 performance across asset classes, marking the second time in four years it achieved the milestone. In addition, four Putnam fixed-income funds received Lipper Fund Awards for long-term performance excellence. Putnam's financial advisor site was ranked number one by leading consulting firm kasina, and Putnam's newly launched iPad app—the fund analysis tool, FundVisualizer—received top honors from the Mutual Fund Education Alliance. Putnam's retirement

service offering was named "Best in Class" by plan sponsors in an Anova Consulting Group study, and the firm won the DALBAR Service Award for the 23rd consecutive year for providing the highest levels of service to mutual fund shareholders.

In the retirement area, Putnam announced the introduction of a personalized health cost estimator within its industry-leading Lifetime Income Analysis Tool and saw significant growth in new retirement plans on its record-keeping platform as well as strong investment-only sales during the year.

Putnam also launched a national marketing and advertising campaign and announced several fund introductions for 2013. The content-driven multimedia campaign, "This is Putnam today," positions Putnam as an innovative company with solutions for the challenges investors face in today's markets. The firm's six planned upcoming fund launches include funds designed to pursue low-volatility equity strategies, short-term municipal income, and global dividends.

IGM FINANCIAL

IGM Financial is one of Canada's premier personal financial services companies, and one of the country's largest managers and distributors of mutual funds and other managed asset products, with over \$120 billion in total assets under management at December 31, 2012. The company serves the financial needs of Canadians through multiple distinct businesses, including Investors Group, Mackenzie Investments and Investment Planning Counsel.

IGM Financial and its operating companies experienced an increase in total assets under management in 2012.

Investors Group and Mackenzie Investments, the company's principal businesses, continued to generate business growth through product innovation, pricing enhancements, additional investment management resources and overall resource management throughout the year.

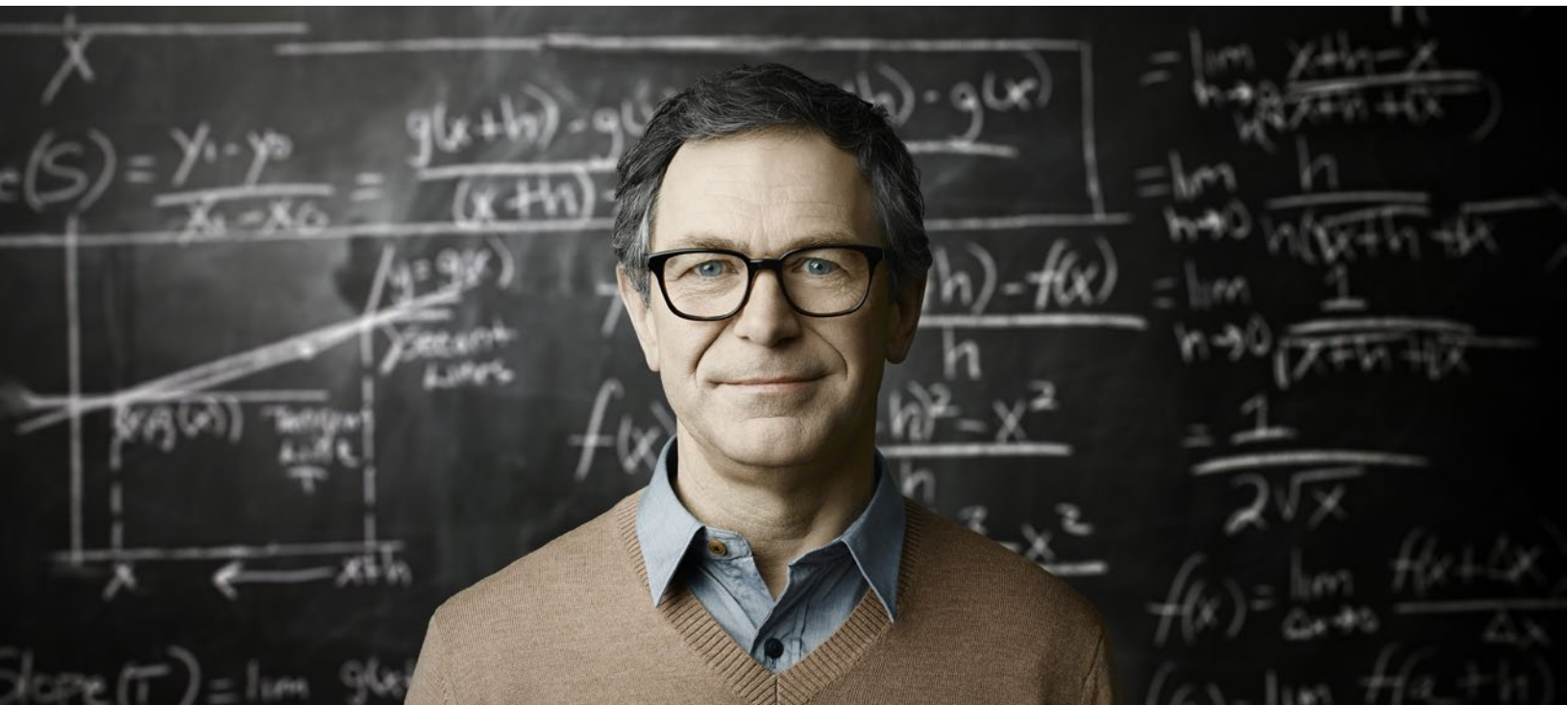
The company is well diversified through its multiple distribution channels, product types, investment management units and fund brands. Assets under management are diversified by country of investment, industry sector, security type and management style.

A primary theme in the company's business approach is to support financial advisors as they work with clients to plan for and achieve their financial goals. The importance of financial advice has become clearer throughout the financial industry in the last few years based on emerging research and continued public interest in enhanced financial literacy.

The scope of the company's business and its association with other members of the Power Financial Corporation group of companies have placed IGM Financial in a position of leadership and strength in the financial services industry. Together, these elements will enable IGM Financial to create long-term value for its clients, consultants, advisors, employees and shareholders over time.

IGM Financial has a long-standing commitment to responsible management, which it believes is fundamental to long-term profitability and value creation. The company conducts its business in a way that emphasizes good governance, operational integrity, ethical practices and respect for the environment. Fundamental to the company's activities is its belief that advancing the financial literacy and financial security of Canadians is important to society.

The company has a long-standing practice of corporate giving through a range of philanthropic activities at each of IGM Financial's operating companies. Its people are encouraged to volunteer in the community, on industry committees and through professional associations.



In keeping with its commitment to good governance and ethical dealing, the company has adopted an extensive written code of conduct that governs its directors, officers and employees.

During 2012, IGM Financial introduced formal responsibilities for Corporate Social Responsibility (CSR) activities as it works to enhance CSR disclosures and coordinate such activities across its companies and with its parent and sister companies.

The Investors Group consultant network continued to expand by opening two new region offices during 2012. The company now has 108 region offices across Canada. There were 4,518 consultants at December 31, 2012. Investors Group continued to respond to the complex financial needs of its clients by delivering a diverse range of products and services in the context of personalized financial advice. The company enhanced pricing for the majority of its funds effective June 30, 2012, and added alternative high net worth series for households investing \$500,000 or more.

Mackenzie maintained its focus on delivering consistent long-term investment performance, while emphasizing product innovation and communication with advisors and investors. Mackenzie's relationship with financial advisors is strengthened by the work it does through investor and advisor education programs, and through its commitment to focusing on active investment management strategies. During 2012, Mackenzie broadened its investment choices for Canadians by adding several new funds and more options, including tax-deferred solutions.

IGM Financial continues to build its business through its extensive network of distribution opportunities delivering high-quality advice and innovative, flexible solutions for investors. The company's investment in technology and operations continues to help it manage its resources effectively and develop long-term growth in its business.

INVESTORS GROUP

Investors Group is a national leader in delivering personalized financial solutions through a network of over 4,500 consultants to nearly one million Canadians. Investors Group is committed to comprehensive planning and offers an exclusive family of mutual funds and other investment vehicles along with a wide range of insurance, securities, mortgage and other financial services.

In 2012, Investors Group continued to make progress in a number of key areas. Enhanced product and pricing opportunities combined with more stable equity markets in Canada and around the world increased investor and consultant confidence. To provide more concentrated focus on the investment management of each fund the company offers, it recruited several additional experienced portfolio managers and analysts throughout 2012.

The company's commitment to training and support is integral to consultants' ability to deliver effective financial advice. Investors Group's culture provides consultants with an entrepreneurial environment and unique support structure to deliver personalized service and knowledgeable advice to clients. Clients enhance their financial literacy and gain financial confidence as consultants assist them with the development and deployment of their financial plans.

Investors Group is committed to the ongoing evolution and expansion of its product and service offering. In early 2012, the company implemented the mergers of eight funds with similar investment mandates. In May 2012, Investors Group announced a number of changes in the pricing of its mutual funds and product enhancements designed to expand services to its clients. The changes involved reducing management fees on approximately two thirds of the company's funds, representing two thirds of its managed assets. Moreover, it introduced a new series of its mutual funds for clients with household account balances in excess of \$500,000.

Investors Group continues to focus on its strengths as building blocks for the future. In 2012, the ongoing recruitment and retention of consultants, together with the active engagement of over 1,800 employees, the continual refinement of financial planning and the expansion of product and service offerings demonstrate the company's commitment to meet the evolving financial needs of Canadians.

MACKENZIE INVESTMENTS

Mackenzie Investments is recognized as one of Canada's premier investment managers and provides investment advisory and related services through multiple distribution channels focused on the provision of financial advice. Mackenzie offers mutual funds, pooled funds, segregated accounts and separate accounts for retail and institutional investors.

In 2012, Mackenzie focused on business growth, investment excellence and the client experience.

Mackenzie merged, reorganized and closed several funds to eliminate duplication and increase cost-effectiveness of certain funds, and to improve the overall relevance of its product shelf as investors' needs continue to evolve. The company added a low-volatility component to Symmetry Portfolios to help manage risk, grow capital and smooth out returns.

A continued focus on risk management led to the hiring of a team that provides enhanced analytical tools and specialized reporting to its portfolio managers.

Mackenzie established a company-wide Client Experience initiative to sustain and build its culture of service excellence, making it easier and more satisfying for advisors to work with the company.

The company also sold Winfund Software Corp. to allow it to focus its energy and resources on its core business of investment management.

In 2012, Mackenzie relaunched its institutional brand, building out 13 proprietary mandates, adding staff, investing in technology resources and establishing a U.S. presence to lay the groundwork for future growth.

The strength of Mackenzie's retail distribution network is based on its long-standing and expanding relationships with financial advisors, consultants and representatives across the breadth of its distribution channels. These relationships allow the company's products to be efficiently distributed through retail brokers, financial advisors, insurance agents, banks, pension consulting firms and financial institutions, giving the company one of the broadest retail distribution platforms in Canada.

Mackenzie remains dedicated to providing clients with high-quality, innovative investment solutions that meet their needs and strives to maintain strong long-term investment performance across its multiple product offerings.

PARGESA GROUP

The Pargesa group holds significant positions in six large companies based in Europe: Imerys (industrial minerals), Lafarge (cement, aggregates and concrete), Total (oil and gas), GDF Suez (electricity and gas), Suez Environnement (water and waste management) and Pernod Ricard (wines and spirits).

Power Financial, through its wholly owned subsidiary, Power Financial Europe B.V., and the Frère family group of Belgium each hold a 50 per cent interest in Parjointco, a Netherlands-based company. Parjointco's principal holding is a 55.6 per cent equity interest (75.4 per cent of the voting rights) in Pargesa Holding SA, the Pargesa group's parent company based in Geneva, Switzerland.

The Pargesa group's strategy is to establish a limited number of substantial interests in which it can acquire a position of control or significant influence.

Highlights for fiscal 2012 and early 2013 were as follows:

- > In March 2012, GBL sold its entire interest in Arkema for €433 million and 2.3 per cent of Pernod Ricard's capital for €499 million, leaving GBL a 7.5 per cent stake in the business.
- > In September 2012, GBL issued bonds exchangeable for Suez Environnement shares amounting to €400 million and covering substantially all of the interest. The bonds have a three-year maturity and bear interest at a rate of 0.125 per cent per annum, the exchange price of the bonds representing a 20 per cent premium to the reference share price.

- > In December 2012, the Power group and the Frère family group announced that the term of the agreement in effect since 1990 within Parjointco, Pargesa's controlling shareholder, had been extended to December 31, 2029, with provision for possible further extension.
- > In January 2013, GBL completed a placement of €1 billion in bonds exchangeable for existing GDF Suez shares. This issue covers almost half the GDF Suez securities held by GBL. The bonds have a four-year term and bear interest at a rate of 1.25 per cent per annum, the exchange price of the bonds representing a 20 per cent premium to the reference share price.

At the level of Pargesa, according to the economic presentation of results, net operating earnings increased 4.7 per cent to SF359 million. Net income, after non-recurring items, stood at SF418 million in 2012, compared to a SF65 million net loss in 2011, affected by a writedown on the interest held by GBL in Lafarge.



IMERYS

The world leader in mineral-based specialty solutions for industry, Imerys processes, enriches and combines a unique range of minerals, often mined from its own deposits. The group occupies leading positions in each of its sectors: Performance and Filtration Minerals; Materials and Monolithics; Pigments for Papers and Packaging; Ceramics, Refractories, Abrasives and Foundry.

In 2012, Imerys pursued its growth in an economic environment characterized by the intensification of geographic contrasts that emerged in mid-2011. The United States regained some momentum but several European countries slowed significantly, while emerging markets continued to grow, though at a more moderate pace. Sales grew by 5.7 per cent to €3.9 billion, current operating income rose 0.6 per cent to €490 million and net income, after non-recurring items, was up 6.7 per cent to €301 million.

LAFARGE

With operations in more than 64 countries, Lafarge, a world leader in building materials, holds leading positions in each of its markets: cement, aggregates and concrete.

In 2012, the group's sales were up 3.5 per cent to €15.8 billion, sustained by higher prices across all business lines in response to production cost inflation and growth in emerging countries, which account for almost 60 per cent of Lafarge's sales. Cost-cutting programs continued, driving operating income up by 12.0 per cent to €2.4 billion. Net income, after non-recurring items, stood at €432 million, compared to €593 million in 2011.

TOTAL

Created from the successive mergers of Total, PetroFina and Elf Aquitaine, Total is one of the largest international oil and gas groups and a major player in chemicals.

In 2012, Total benefited from an oil environment that was extremely stable for upstream operations, with a Brent price more or less unchanged at US\$111/barrel and an average selling price of gas that saw a modest rise of 3 per cent in comparison with 2011. In downstream operations, the European refining margin rose sharply to US\$36.0/tonne on average from US\$17.4/tonne in 2011. In these conditions, Total's 2012 operating income was up by 2 per cent in euros and down 6 per cent in dollars compared to 2011. Net income, after non-recurring items, stood at €10.7 billion versus €12.3 billion in 2011.

GDF SUEZ

GDF Suez, created from the 2008 merger of Suez and Gaz de France, is an international industrial and services group active across the entire energy value chain in electricity and natural gas, upstream to downstream. GDF Suez develops its core business in electricity and heat generation, trading, transmission and distribution of electricity and gas (natural and liquified), and energy and industrial services.

In 2012, the company recorded sales of €97.0 billion, a 7.0 per cent increase mainly driven by higher gas and electricity sales in France, increased exploration-production and LNG sales, and continuing international development, especially in Latin America and Asia.

Current operating income was up 6.0 per cent to €9.5 billion, and net income stood at €1.6 billion versus €4.0 billion in 2011, after essentially €2 billion in European asset impairments.

SUEZ ENVIRONNEMENT

Suez Environnement integrates water and waste management operations that were formerly within the scope of Suez before it merged with Gaz de France. In the Water sector, the group designs and manages drinking water production and distribution systems and wastewater treatment systems, carries out engineering work and supplies a wide range of services to industry. In the Waste sector, Suez Environnement is active in managing (collecting, sorting, recycling, treating, recovering and storing) industrial and household waste.

In 2012, the group's sales were up 1.8 per cent to €15.1 billion. Current operating income rose 10.3 per cent to €1.1 billion and net income declined 22.3 per cent to €251 million as a result of non-recurring expenses recorded in the first quarter.

PERNOD RICARD

Since the creation of Pernod Ricard in 1975, significant organic growth and a series of acquisitions, particularly Seagram in 2001, Allied Domecq in 2005 and Vin & Spirit in 2008, have made the company the global co-leader in wines and spirits.

In 2011–2012, Pernod Ricard's sales grew 7.5 per cent to €8.2 billion. Current operating income increased 10.7 per cent to €2.1 billion and net income stood at €1,146 million, compared to €1,045 million the previous year.