

La Capitale At a glance




La Capitale
Insurance and
Financial Services

La Capitale

At a glance

As a financial group with solid mutualist foundations created in 1940, La Capitale is proud to offer Canadians a comprehensive range of insurance products and financial services that are adapted to today's needs.





Our Values



PEOPLE-FIRST ATTITUDE

Taking care first and foremost of the well-being of our people by demonstrating respect and empathy and by embracing practices based on our fundamental principles of equality, fairness and democracy.

INTEGRITY AND TRANSPARENCY

Being committed to providing its Mutual members, clients and employees with a company that demonstrates sound governance and management by applying strict standards of integrity and ethics at all levels and by exhibiting transparency in its management approach.

CUSTOMER-CENTRIC MINDSET

Offering attentive service at all times, characterized by a commitment to the client, an ongoing desire to provide appropriate information and advice, and financial solutions tailored to what clients feel is essential to their financial security.

CORPORATE LONGEVITY

Ensuring profitable growth of the organization through the dynamic and prudent use of its financial capacities to foster business continuity and provide an enriched legacy for future generations.

SOCIAL INVOLVEMENT AND RESPONSIBILITY

Integrating and promoting the values of mutual aid and solidarity, which are the foundations of mutualism, and encouraging community and humanitarian work and fostering sustainable development.

MESSAGE TO MUTUAL MEMBERS



René
ROULEAU



Chairman of the Board and
Chief Executive Officer

2013 MARKED THE MID-POINT IN LA CAPITALE'S 2011-2015 STRATEGIC PLAN, WHICH SET AMBITIOUS TARGETS WE ARE DETERMINED TO ACHIEVE.

We have even exceeded some of these targets well ahead of the expected timeline. Achieving a result like this is something we are very proud of, especially in an economic context of market volatility, persistently low interest rates and stricter regulatory requirements that are forcing financial institutions to use their imagination and be innovative in order to maintain healthy profitability.

For nearly 75 years now, our Mutual has focused on what counts the most: our clients and Mutual members. At La Capitale, it's everyone's business to think about our clients. We abide by this principle every single day, making sure we put the people we serve at the heart of the decisions we make and ensuring we serve them the same way we would like to be served. That is why we are doing everything in our power to ensure that all our clients share in our successes, and we had many last year.

For example, the privileged relationship we enjoy with members of the Quebec public service and parapublic sectors means we can offer products and services that are tailor-made for their specific needs. Our clients throughout Canada also have access to a wide range of insurance products and financial services, as well as attractive programs that reduce their premiums. In terms of philanthropic endeavours, our La Capitale Financial Group Foundation gave \$1.2M to more than 200 organizations that provide assistance to those in need. On top of that, our employees demonstrated social engagement by volunteering their time to worthwhile causes. Because of all these elements added together, La Capitale received recognition from its own employees and was ranked among the 50 Best Employers in Canada.

Our vision shows that mutualism is still alive and kicking and can make a real contribution to people's well-being. We are keeping an optimistic outlook for the future while remaining mindful of the sizable challenges that lie ahead. The ingenuity and agility which La Capitale demonstrates are qualities that will ensure long-term rewards for our clients and Mutual members.

2013	\$4.9B
2012	\$4.7B
2011	\$4.3B
2010	\$3.9B
2009	\$3.5B

ASSETS

\$4.9B

5.1% INCREASE
OVER 2012

Consolidated
net profit

\$65.2M

Return
on equity

8.8%

Total
consolidated income

\$1.7B

Consolidated
investment income

\$99.2M

Consolidated
total equity

\$839.9M

Number
of Mutual members

242,467

Dividends paid to
Mutual members

\$12.6M

Number of contracts
and certificates in force

1,708,745



President and Chief Operating Officer,
Life and Health Insurance and
Financial Services

IN KEEPING WITH ITS PERFORMANCE IN RECENT YEARS, LIFE AND HEALTH INSURANCE AND FINANCIAL SERVICES HAD ANOTHER SUCCESSFUL YEAR IN 2013 IN ALL OF ITS BUSINESS LINES—GOING ABOVE AND BEYOND THE TARGETS FOR GROWTH AND PROFITABILITY IT HAD SET FOR THE YEAR.

While experiencing this success, La Capitale continued to focus on enhancing its products and services, as well as its customer service.

Our life and health insurance results in recent years enabled us to climb up a level from 13th to become the 12th largest life and health insurance company in Canada.

In the savings area, La Capitale hit the \$1 billion mark for inforce premiums. Moreover, our investment accounts and the La Capitale Stow & Grow Account are continuing to grow in popularity, boosting the profitability of our business sector.

Group Insurance experienced a net increase of 11.3%, and four of the largest groups we insure in the public sector renewed their contracts.

An important event in 2013 was the sale of our member company AGA Financial Group following an unsolicited purchase offer. La Capitale decided to agree to the sale in order to focus its energy in the group insurance industry on being a provider rather than a distributor.

Customer service is a priority for La Capitale. For this reason, a number of measures have been put in place to encourage employees to maintain a high level of service quality. We are pleased to observe that La Capitale is very popular with its clients and Mutual members.

The future is bright, and we are pursuing our priority objective of showing our clients and Mutual members that we are committed to helping them build, protect and enrich their estates. To that end, we will continue to develop products and services tailored to fit their needs and available through multiple channels.

I wish to thank our clients and Mutual members for the trust they have placed in us. Thank you also to our business partners for their contribution to our success and to our customer service. I also wish to express my appreciation to our employees who, through their commitment every single day and their exceptional qualities, have a role to play in our sector reaching its targets.

2013	\$862M
2012	\$731M
2011	\$658M
2010	\$612M
2009	\$565M

ACCUMULATED
PREMIUM REVENUE
\$862M

17.9% INCREASE
OVER 2012

 **7th place**
in the industry

 **12th place**
in the industry

Net income

\$49.6M

45% increase

Sales of individual insurance premiums and deposits

\$224.3M

34.6% increase

Savings and investments portfolio

\$1.022B

17.7% increase

Inforce premiums group insurance

\$581.6M

11.3% increase

Financial education sessions

493

Penncorp Life Insurance Company becomes



A CANADA-WIDE DISTRIBUTION NETWORK

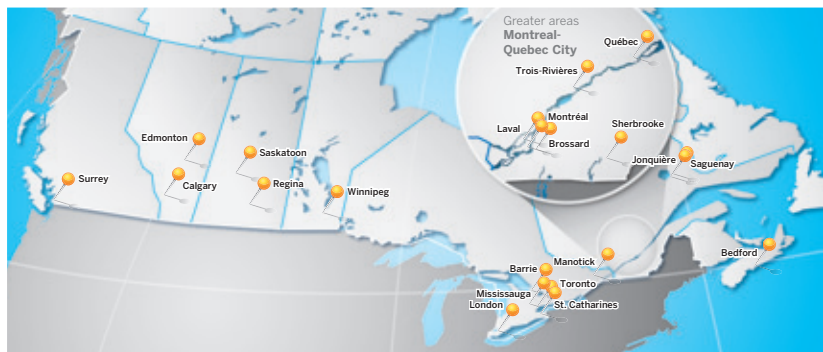
A complete range of products and services tailored to our clients' needs



We offer a full line of products

- Life and Disability Insurance
- Annuities (immediate, deferred life)
- Critical Illness Insurance for adults and children
- Investment accounts and GICs
- Long-term care insurance
- Disability Insurance (Pillar Series)

Our success stems from our ability to develop insurance products and financial services that adapt perfectly to the needs of all Canadians.



IN
12th
place

among life insurers
in Canada

29
Financial centres
and branches

21
General agents
in Quebec

1,806
Brokers
in Quebec

433
Financial security
advisors and partner
agents

55
General agents
outside Quebec

1,187
Brokers
outside Quebec

We listen
to our
clients

At La Capitale, we feel we should all think about things from the client's perspective.

This approach is what spurs us to consistently go above and beyond our clients' expectations. We're fully committed to building a solid relationship based on trust with our clients and partners, to remaining attentive to their needs and to being accessible at all times, through several communication channels. That's why our contracts are written so clearly and precisely.



OUR REAL ESTATE PORTFOLIO

The highest standards for sustainable construction



The La Capitale Building, Quebec City

OUR HEAD OFFICE IS HOME TO

1,650 employees

Inaugurated on March 19, 2013 and aims to have LEED®-NC Gold certification



La Capitale Financial Group Building, Mississauga

CERTIFIED
LEED® - CS Gold
(2009)



Delta 3 Building, Quebec City

CERTIFIED
LEED® - CS Gold
(2010)

BOMA QUEBEC AWARD WINNER
2011-2012 Building of the Year

The most prestigious recognition conferred by the North American commercial real estate industry.

La Capitale's real estate portfolio is made up of 12 buildings, three of which meet the LEED® (Leadership in Energy and Environmental Design) certification criteria

AN ECO-CONCERNED CORPORATE CITIZEN



Mindful of important social concerns, La Capitale is committed to the well-being of the community and safeguarding the environment. It adopts and applies measures which all its employees support.



Guided by the values of mutualism on which it was founded, La Capitale works with people to build, protect and value what they feel counts for their financial security.

To find out more about the numerous benefits of La Capitale products, contact us or visit our website.

lacapitale.com

