

Readers are referred to the cautionary notes regarding Forward-Looking Information and Non-IFRS Financial Measures at the end of this release. All figures are expressed in Canadian dollars, except as noted.

Great-West Lifeco reports third quarter 2012 results

Winnipeg, November 8, 2012 ... Great-West Lifeco Inc. (Lifeco) has reported net earnings attributable to common shareholders of \$520 million for the three months ended September 30, 2012, compared to \$457 million in the third quarter of 2011. On a per common share basis, this represents \$0.547 per common share for the three months ended September 30, 2012, compared to \$0.481 per common share for the same period in 2011.

For the nine months ended September 30, 2012, net earnings attributable to common shareholders were \$1,462 million, compared to \$1,398 million a year ago. This represents \$1.539 per common share for the nine months ended September 30, 2012, compared to \$1.473 per common share for the same period in 2011.

Consolidated assets under administration at September 30, 2012 were \$532 billion, up \$30 billion from December 31, 2011.

Highlights

- In quarter consolidated net earnings of \$520 million are up 13.8% from third quarter 2011, with solid earnings growth in all geographic segments.
- Total Company premiums and deposits grew by 8% from third quarter 2011, reflecting continued strong persistency.
- Total Company sales grew by 13% from third quarter 2011, notably the following:
 - In quarter sales in Canada for Individual participating life insurance were up 34% and Wealth Management group retirement sales were up 41% compared to the third quarter of 2011.
 - In quarter sales in U.S. Financial Services were US\$2.4 billion, up 46% compared to the third quarter of 2011, reflecting continued strong sales in both Individual Markets and Retirement Services.
 - In quarter sales in U.K. Payout Annuity were up 105% compared to the third quarter of 2011, and are up 31% year to date compared to 2011.
 - Putnam net asset inflows in third quarter 2012 were US\$602 million.
- During the third quarter, Canada Life's Reinsurance Division entered into retrocession agreements with a U.K. domiciled insurance company covering closed blocks of approximately 1.2 million bank distributed protection policies in Spain and approximately 575,000 bank distributed protection policies in Portugal.
- The Company raised \$200 million of 4.80% fixed rate perpetual preferred share capital on October 11, 2012.
- The Company's ROE continues to lead the industry at 17.1% based on net earnings and 16.1% based on operating earnings.
- The Company's capital position remained very strong. The Great-West Life Assurance Company reported a Minimum Continuing Capital and Surplus Requirements (MCCSR) ratio of 201% at September 30, 2012.
- Credit experience remained favourable. There were no new impaired securities in the quarter.
- The Company declared a quarterly common dividend of \$0.3075 per common share payable December 31, 2012.

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OPERATING RESULTS

Consolidated net earnings for Lifeco comprise the net earnings of The Great-West Life Assurance Company (Great-West Life), Canada Life Financial Corporation (CLFC), London Life Insurance Company (London Life), Great-West Life & Annuity Insurance Company (GWL&A), and Putnam Investments, LLC (Putnam), together with Lifeco's corporate results.

CANADA

Net earnings attributable to common shareholders for the third quarter of 2012 were \$281 million compared to \$235 million in the third quarter of 2011. For the nine months ended September 30, 2012 net earnings attributable to common shareholders were \$777 million compared to \$742 million for the same period in 2011.

Total sales in the third quarter of 2012 were \$2.0 billion compared to \$1.9 billion in 2011. Individual Insurance product sales increased 17%, Group sales decreased 43% driven by lower sales in large case markets, Wealth Management group retirement sales were up 41% and sales of proprietary retail investments funds were up 12% compared to the third quarter of 2011. Total sales for the nine months ended September 30, 2012 were \$6.6 billion, the same level as 2011.

Total assets under administration at September 30, 2012 were \$136 billion, compared to \$129 billion at December 31, 2011.

UNITED STATES

Net earnings attributable to common shareholders for the third quarter of 2012 were \$87 million compared to \$75 million in the third quarter of 2011. For the nine months ended September 30, 2012 net earnings attributable to common shareholders were \$248 million compared to \$291 million for the same period in 2011 which included a \$55 million release of legal provisions in Putnam.

Financial Services sales in the third quarter of 2012 were US\$2.4 billion, up 46% compared to the third quarter of 2011 reflecting increases in both Retirement Services and Individual Markets. Sales for the nine months ended September 30, 2012 were US\$6.9 billion compared to US\$5.3 billion in 2011.

Putnam assets under management at September 30, 2012 were US\$127 billion compared to US\$114 billion a year ago. Net asset inflows in third quarter 2012 were US\$602 million compared to net outflows of US\$1.5 billion for the same period in 2011. Net asset outflows for the nine months ended September 30, 2012 were US\$1.6 billion compared to net inflows of US\$2.0 billion a year ago.

Total United States segment assets under administration at September 30, 2012 were \$324 billion compared to \$303 billion at December 31, 2011.

EUROPE

Net earnings attributable to common shareholders for the third quarter of 2012 were \$165 million compared to \$148 million in the third quarter of 2011. Net earnings for the third quarter of 2012 include the impact of new life retrocession agreements of \$24 million. For the nine months ended September 30, 2012 net earnings attributable to common shareholders were \$466 million compared to \$381 million for the same period in 2011. The 2011 results include catastrophe provisions of \$84 million relating to earthquake events in Japan and New Zealand.

Sales for the third quarter of 2012 were \$866 million compared to \$1.3 billion in 2011. The decrease was due to a decline in single premium savings products in the Isle of Man reflecting the normal fluctuations in the number of large cases. This decrease was partially offset by strong sales of payout annuities in the U.K.

Total sales for the nine months ended September 30, 2012 were \$2.4 billion compared to \$3.3 billion in 2011 due mainly to a decline in single premium savings products in both the U.K. and Isle of Man. This reflects the general market slowdown and normal fluctuations in the number of large cases in the Isle of Man. This decrease was partially offset by strong sales of payout annuities in the U.K.

Total assets under administration at September 30, 2012 increased to \$72 billion from \$70 billion at December 31, 2011.

CORPORATE

Net earnings in the Lifeco corporate segment attributable to common shareholders was a loss of \$13 million in the third quarter of 2012 compared to a loss of \$1 million for the third quarter of 2011. For the nine months ended September 30, 2012 net earnings attributable to common shareholders was a loss of \$29 million compared to a loss of \$16 million for the same period in 2011.

QUARTERLY DIVIDENDS

At its meeting today, the Board of Directors approved a quarterly dividend of \$0.3075 per share on the common shares of the Company payable December 31, 2012 to shareholders of record at the close of business December 3, 2012.

For purposes of the Income Tax Act (Canada), and any similar provincial legislation, the dividends referred to above are eligible dividends.

In addition, the Directors approved quarterly dividends on:

- Series F First Preferred Shares of \$0.36875 per share;
- Series G First Preferred Shares of \$0.3250 per share;
- Series H First Preferred Shares of \$0.30313 per share;
- Series I First Preferred Shares of \$0.28125 per share;
- Series J First Preferred Shares of \$0.3750 per share;
- Series L First Preferred Shares of \$0.353125 per share;
- Series M First Preferred Shares of \$0.36250 per share;
- Series N First Preferred Shares of \$0.228125 per share;
- Series P First Preferred Shares of \$0.3375 per share;
- Series Q First Preferred Shares of \$0.321875 per share; and
- Series R First Preferred Shares of \$0.2663 per share

all payable December 31, 2012 to shareholders of record at the close of business December 3, 2012.

GREAT-WEST LIFECO

Great-West Lifeco Inc. (TSX:GWO) 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 \$532 billion in assets under administration and are members of the Power Financial Corporation group of companies.

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Cautionary note regarding Forward-Looking Information

This release contains some forward-looking statements about the Company, including its business operations, strategy and expected financial performance and condition. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” and similar expressions or negative versions thereof. In addition, any statement that may be made concerning future financial performance (including revenues, earnings or growth rates), ongoing business strategies or prospects, and possible future actions by the Company including statements made with respect to the expected benefits of acquisitions and divestitures are also forward-looking statements. Forward-looking statements are based on expectations and projections about future events that were current at the time of the statements and are inherently subject to, among other things, risks, uncertainties and assumptions about the Company, economic factors and the financial services industry generally, including the insurance and mutual fund industries. They are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied by forward-looking statements due to, but not limited to, important factors such as sales levels, premium income, fee income, expense levels, mortality experience, morbidity experience, policy lapse rates and taxes, as well as general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, changes in accounting policies and the effect of applying future accounting policy changes, unexpected judicial or regulatory proceedings, catastrophic events, and the Company's ability to complete strategic transactions and integrate acquisitions. The reader is cautioned that the foregoing list of important factors is not exhaustive, and there may be other factors, including factors set out under “Risk Management and Control Practices” in the Company's Annual Management's Discussion and Analysis and any listed in other filings with securities regulators, which are available for review at www.sedar.com. The reader is also cautioned to consider these and other factors carefully and to not place undue reliance on forward-looking statements. Other than as specifically required by applicable law, the Company has no intention to update any forward-looking statements whether as a result of new information, future events or otherwise.

Cautionary note regarding Non-IFRS Financial Measures

This release contains some non-IFRS financial measures. Terms by which non-IFRS financial measures are identified include but are not limited to “operating earnings”, “constant currency basis”, “premiums and deposits”, “sales”, and other similar expressions. Non-IFRS financial measures are used to provide management and investors with additional measures of performance. However, non-IFRS financial measures do not have standard meanings prescribed by IFRS and are not directly comparable to similar measures used by other companies. Please refer to the appropriate reconciliations of these non-IFRS financial measures to measures prescribed by IFRS.

Further information

Selected financial information is attached.

Great-West Lifeco's third quarter conference call and audio webcast will be held November 8, 2012 at 3:00 p.m.(ET). The call and webcast can be accessed through www.greatwestlifeco.com or by phone at:

- Participants in the Toronto area: 416-340-8018
- Participants from North America: 1-866-223-7781
- Participants from Overseas: Dial international access code first, then 800-6578-9898

A replay of the call will be available from November 8, 2012, and can be accessed by calling 1-800-408-3053 or 905-694-9451 in Toronto (passcode: 1367585#). The archived webcast will be available on www.greatwestlifeco.com from November 9, 2012 until November 9, 2013.

Additional information relating to Lifeco, including the most recent interim unaudited consolidated financial statements, interim Management's Discussion and Analysis (MD&A), and CEO/CFO certificates will be filed on SEDAR at www.sedar.com.

For more information contact:

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Assistant Vice-President, Communication Services
204-946-7705

GREAT-WEST LIFECO INC.

FINANCIAL HIGHLIGHTS *(unaudited)* *(in Canadian \$ millions except per share amounts)*

	As at or for the three months ended			For the nine months ended	
	September 30 2012	June 30 2012	September 30 2011	September 30 2012	September 30 2011
Premiums and deposits:					
Life insurance, guaranteed annuities and insured health products	\$ 4,940	\$ 4,524	\$ 4,392	\$ 13,993	\$ 12,959
Self-funded premium equivalents (ASO contracts)	631	673	660	1,989	1,994
Segregated funds deposits:					
Individual products	1,490	1,436	1,975	4,485	5,516
Group products	1,681	1,595	1,420	5,046	4,340
Proprietary mutual funds and institutional deposits	6,779	4,898	5,892	17,616	23,264
Total premiums and deposits	<u>15,521</u>	<u>13,126</u>	<u>14,339</u>	<u>43,129</u>	<u>48,073</u>
Fee and other income	720	734	704	2,178	2,163
Paid or credited to policyholders	6,607	5,979	6,826	17,329	16,703
Net earnings - common shareholders	520	491	457	1,462	1,398
Per common share					
Basic earnings	\$ 0.547	\$ 0.517	\$ 0.481	\$ 1.539	\$ 1.473
Dividends paid	0.3075	0.3075	0.3075	0.9225	0.9225
Book value	13.01	12.97	12.46		
Return on common shareholders' equity (trailing four quarters*):					
Operating earnings	16.1%	15.8%	16.7%		
Net earnings	17.1%	16.8%	16.7%		
Total assets	\$ 249,043	\$ 245,297	\$ 237,048		
Proprietary mutual funds and institutional net assets	131,604	129,028	124,343		
Total assets under management	380,647	374,325	361,391		
Other assets under administration	151,604	149,258	131,853		
Total assets under administration	<u>\$ 532,251</u>	<u>\$ 523,583</u>	<u>\$ 493,244</u>		
Total equity	<u>\$ 17,004</u>	<u>\$ 16,692</u>	<u>\$ 15,837</u>		

The Company uses operating earnings, a non-IFRS financial measure, which excludes the impact of certain litigation provisions described in note 30 to the Company's December 31, 2011 consolidated financial statements.

*Return on common shareholders' equity is the trailing four quarter calculation of net earnings divided by common shareholders' equity.

GREAT-WEST
LIFECO INC.

CONSOLIDATED STATEMENTS OF EARNINGS *(unaudited)*

(in Canadian \$ millions except per share amounts)

	For the three months ended			For the nine months ended	
	September 30 2012	June 30 2012	September 30 2011	September 30 2012	September 30 2011
Income					
Premium income					
Gross premiums written	\$ 5,645	\$ 5,233	\$ 5,059	\$ 16,076	\$ 14,980
Ceded premiums	(705)	(709)	(667)	(2,083)	(2,021)
Total net premiums	<u>4,940</u>	<u>4,524</u>	<u>4,392</u>	<u>13,993</u>	<u>12,959</u>
Net investment income					
Regular net investment income	1,425	1,428	1,330	4,292	4,173
Changes in fair value through profit or loss	1,551	1,106	2,080	2,461	2,600
Total net investment income	<u>2,976</u>	<u>2,534</u>	<u>3,410</u>	<u>6,753</u>	<u>6,773</u>
Fee and other income	720	734	704	2,178	2,163
	<u>8,636</u>	<u>7,792</u>	<u>8,506</u>	<u>22,924</u>	<u>21,895</u>
Benefits and expenses					
Policyholder benefits					
Insurance and investment contracts					
Gross	4,137	4,311	3,988	13,054	12,417
Ceded	(304)	(367)	(284)	(1,058)	(933)
Total net policyholder benefits	<u>3,833</u>	<u>3,944</u>	<u>3,704</u>	<u>11,996</u>	<u>11,484</u>
Policyholder dividends and experience refunds	414	367	385	1,145	1,115
Change in insurance and investment contract liabilities	2,360	1,668	2,737	4,188	4,104
Total paid or credited to policyholders	<u>6,607</u>	<u>5,979</u>	<u>6,826</u>	<u>17,329</u>	<u>16,703</u>
Commissions	441	415	372	1,266	1,139
Operating and administrative expenses	653	637	605	1,930	1,808
Premium taxes	74	72	64	218	188
Financing charges	70	72	72	214	216
Amortization of finite life intangible assets	25	28	24	79	72
Earnings before income taxes	<u>766</u>	<u>589</u>	<u>543</u>	<u>1,888</u>	<u>1,769</u>
Income taxes	141	72	54	270	284
Net earnings before non-controlling interests	<u>625</u>	<u>517</u>	<u>489</u>	<u>1,618</u>	<u>1,485</u>
Attributable to non-controlling interests	75	(2)	8	73	15
Net earnings	<u>550</u>	<u>519</u>	<u>481</u>	<u>1,545</u>	<u>1,470</u>
Perpetual preferred share dividends	30	28	24	83	72
Net earnings - common shareholders	<u>\$ 520</u>	<u>\$ 491</u>	<u>\$ 457</u>	<u>\$ 1,462</u>	<u>\$ 1,398</u>
Earnings per common share					
Basic	<u>\$ 0.547</u>	<u>\$ 0.517</u>	<u>\$ 0.481</u>	<u>\$ 1.539</u>	<u>\$ 1.473</u>
Diluted	<u>\$ 0.543</u>	<u>\$ 0.513</u>	<u>\$ 0.478</u>	<u>\$ 1.529</u>	<u>\$ 1.461</u>

CONSOLIDATED BALANCE SHEETS *(unaudited)*
(in Canadian \$ millions)

	September 30	December 31
	2012	2011
Assets		
Cash and cash equivalents	\$ 1,871	\$ 2,056
Bonds	82,660	78,073
Mortgage loans	17,559	17,432
Stocks	6,929	6,704
Investment properties	3,446	3,201
Loans to policyholders	6,989	7,162
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Funds held by ceding insurers	119,454	114,628
Goodwill	10,336	9,923
Intangible assets	5,396	5,401
Derivative financial instruments	3,084	3,154
Owner occupied properties	1,141	968
Fixed assets	508	491
Reinsurance assets	142	137
Other assets	1,846	2,061
Deferred tax assets	4,585	4,283
Segregated funds for the risk of unitholders	1,025	1,140
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Total assets	\$ 249,043	\$ 238,768
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Liabilities		
Insurance contract liabilities	\$ 117,891	\$ 114,730
Investment contract liabilities	759	782
Debentures and other debt instruments	4,273	4,313
Funds held under reinsurance contracts	181	169
Derivative financial instruments	269	316
Other liabilities	4,408	4,287
Deferred tax liabilities	936	929
Repurchase agreements	1,444	23
Capital trust securities	352	533
Investment and insurance contracts on account of unitholders	101,526	96,582
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Total liabilities	232,039	222,664
Equity		
Non-controlling interests		
Participating account surplus in subsidiaries	2,301	2,227
Non-controlling interests in capital stock	4	3
Shareholders' equity		
Share capital		
Perpetual preferred shares	2,344	1,894
Common shares	5,832	5,828
Accumulated surplus	6,904	6,327
Accumulated other comprehensive income (loss)	(443)	(233)
Contributed surplus	62	58
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Total equity	17,004	16,104
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Total liabilities and equity	\$ 249,043	\$ 238,768

Segmented Information *(unaudited)*

Consolidated Net Earnings

For the three months ended September 30, 2012

	Canada	United States	Europe	Lifeco Corporate	Total
Income:					
Premium income	\$ 2,397	\$ 879	\$ 1,664	\$ -	\$ 4,940
Net investment income					
Regular net investment income	664	332	433	(4)	1,425
Changes in fair value through profit or loss	493	244	814	-	1,551
Total net investment income	1,157	576	1,247	(4)	2,976
Fee and other income	271	304	145	-	720
Total income	3,825	1,759	3,056	(4)	8,636
Benefits and expenses:					
Paid or credited to policyholders	2,733	1,246	2,628	-	6,607
Other	629	340	192	7	1,168
Financing charges	31	34	5	-	70
Amortization of finite life intangible assets	11	11	3	-	25
Earnings before income taxes	421	128	228	(11)	766
Income taxes	66	38	40	(3)	141
Net earnings before non-controlling interests	355	90	188	(8)	625
Non-controlling interests	73	(1)	3	-	75
Net earnings	282	91	185	(8)	550
Perpetual preferred share dividends	21	-	6	3	30
Net earnings before capital allocation	261	91	179	(11)	520
Impact of capital allocation	20	(4)	(14)	(2)	-
Net earnings - common shareholders	\$ 281	\$ 87	\$ 165	\$ (13)	\$ 520

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For the three months ended September 30, 2011

	Canada	United States	Europe	Lifeco Corporate	Total
Income:					
Premium income	\$ 2,229	\$ 952	\$ 1,211	\$ -	\$ 4,392
Net investment income					
Regular net investment income	535	324	465	6	1,330
Changes in fair value through profit or loss	824	304	952	-	2,080
Total net investment income	1,359	628	1,417	6	3,410
Fee and other income	269	296	139	-	704
Total income	3,857	1,876	2,767	6	8,506
Benefits and expenses:					
Paid or credited to policyholders	2,950	1,433	2,443	-	6,826
Other	579	311	148	3	1,041
Financing charges	34	33	5	-	72
Amortization of finite life intangible assets	10	11	3	-	24
Earnings before income taxes	284	88	168	3	543
Income taxes	47	11	(5)	1	54
Net earnings before non-controlling interests	237	77	173	2	489
Non-controlling interests	3	-	5	-	8
Net earnings	234	77	168	2	481
Perpetual preferred share dividends	18	-	6	-	24
Net earnings before capital allocation	216	77	162	2	457
Impact of capital allocation	19	(2)	(14)	(3)	-
Net earnings - common shareholders	\$ 235	\$ 75	\$ 148	\$ (1)	\$ 457

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For the nine months ended September 30, 2012

	Canada	United States	Europe	Lifeco Corporate	Total
Income:					
Premium income	\$ 7,113	\$ 2,406	\$ 4,474	\$ -	\$ 13,993
Net investment income					
Regular net investment income	1,939	983	1,373	(3)	4,292
Changes in fair value through profit or loss	755	442	1,264	-	2,461
Total net investment income	2,694	1,425	2,637	(3)	6,753
Fee and other income	818	912	448	-	2,178
Total income	10,625	4,743	7,559	(3)	22,924
Benefits and expenses:					
Paid or credited to policyholders	7,599	3,274	6,456	-	17,329
Other	1,912	1,003	482	17	3,414
Financing charges	99	101	14	-	214
Amortization of finite life intangible assets	33	38	8	-	79
Earnings before income taxes	982	327	599	(20)	1,888
Income taxes	143	69	63	(5)	270
Net earnings before non-controlling interests	839	258	536	(15)	1,618
Non-controlling interests	63	(1)	11	-	73
Net earnings	776	259	525	(15)	1,545
Perpetual preferred share dividends	58	-	17	8	83
Net earnings before capital allocation	718	259	508	(23)	1,462
Impact of capital allocation	59	(11)	(42)	(6)	-
Net earnings - common shareholders	\$ 777	\$ 248	\$ 466	\$ (29)	\$ 1,462

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For the nine months ended September 30, 2011

	Canada	United States	Europe	Lifeco Corporate	Total
Income:					
Premium income	\$ 6,861	\$ 2,306	\$ 3,792	\$ -	\$ 12,959
Net investment income					
Regular net investment income	1,769	980	1,412	12	4,173
Changes in fair value through profit or loss	1,075	461	1,064	-	2,600
Total net investment income	2,844	1,441	2,476	12	6,773
Fee and other income	822	928	413	-	2,163
Total income	10,527	4,675	6,681	12	21,895
Benefits and expenses:					
Paid or credited to policyholders	7,716	3,273	5,714	-	16,703
Other	1,792	897	429	17	3,135
Financing charges	102	100	14	-	216
Amortization of finite life intangible assets	31	34	7	-	72
Earnings before income taxes	886	371	517	(5)	1,769
Income taxes	138	75	70	1	284
Net earnings before non-controlling interests	748	296	447	(6)	1,485
Non-controlling interests	9	-	6	-	15
Net earnings	739	296	441	(6)	1,470
Perpetual preferred share dividends	55	-	17	-	72
Net earnings before capital allocation	684	296	424	(6)	1,398
Impact of capital allocation	58	(5)	(43)	(10)	-
Net earnings - common shareholders	\$ 742	\$ 291	\$ 381	\$ (16)	\$ 1,398