

GREAT-WEST  
**LIFECO** INC.



**Irish Life**

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**Acquisition of Irish Life Group Limited**  
**A Market Leader in Life Insurance, Pensions and**  
**Investment Management in Ireland**

**February 19, 2013**

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THE  
**Great-West Life**  
ASSURANCE COMPANY



**GREAT-WEST**  
FINANCIAL



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- Consistent with Great-West Lifeco's global business strategy of developing significant market positions in sectors where the Company participates
- Compelling in-market merger delivers a significant position in Ireland
  - market we know and risks well understood
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**Irish Life is a Significant Player with a Resilient Business Model**

- Iconic, well-trusted brand and a significant player in Ireland
  - strong financial performance through challenging markets
- Broad product offering and wide, multi-channel distribution
- Majority of assets are unit-linked with investment risk principally borne by clients

**Compelling Value**

- Attractive acquisition multiples
- Expected returns supported by in-force book of business
- Expected to be accretive to Lifeco in first full year

## Expected to be accretive to Great-West Lifeco EPS with conservative financing plan

<b>Purchase Price and Implied Metrics</b>	<ul style="list-style-type: none"> <li>• C\$1.75 billion (€1.3 billion)</li> <li>• P/E 2014E: 8.2x<sup>(1)</sup></li> <li>• P/BV (June 30, 2012) 1.3x</li> </ul>
<b>Transaction Economics</b>	<ul style="list-style-type: none"> <li>• Anticipated pre-tax cost savings of €40 million (C\$54 million) annually</li> <li>• Expected to add approximately C\$215 million or 10% to Great-West Lifeco's consensus earnings in 2014<sup>(1)(2)</sup></li> <li>• Expected to be accretive to Great-West Lifeco earnings per share by 10 cents or approximately 4% in 2014E<sup>(1)(2)</sup></li> </ul>
<b>Funding</b>	<ul style="list-style-type: none"> <li>• Transaction will be approximately 70% equity financed through C\$1.25 billion Subscription Receipts Offering (including C\$550 million from Power Financial and C\$50 million from IGM Financial)</li> <li>• Balance will be funded by incremental € denominated debt and internal cash resources</li> </ul>
<b>Regulatory Capital Impact</b>	<ul style="list-style-type: none"> <li>• Targeting MCCSR ratio above 210% at close<sup>(3)</sup></li> </ul>
<b>Expected Close and Approvals</b>	<ul style="list-style-type: none"> <li>• July 2013</li> <li>• Subject to customary regulatory approvals, including approvals from the European Commission under the EU Merger Regulation, and certain closing conditions</li> </ul>

1. Includes fully-realized after-tax run-rate cost savings, before integration costs.

2. Based on Institutional Brokers Estimate System (IBES) consensus earnings estimates.

3. Minimum Continuing Capital and Surplus Requirements for The Great-West Life Assurance Company.

Note: Assumes C\$:€ exchange rate of 1.34:1.00.

## Substantial fiscal progress and improving growth prospects

- Ireland is rebounding from the aftermath of the property and banking collapse
- There has been significant progress in restoring domestic competitiveness and the government is dealing decisively on both the revenue and expenditure fronts in an effort to restore fiscal balance
- Ireland's fiscal situation has stabilized, Irish government bond yields have dropped significantly and the Irish government now has regained access to the capital markets
- In February 2013, S&P noted that the exchange of promissory notes for long-dated bonds increased the likelihood of Ireland's return to private financing and a successful exit from the EU/IMF bailout program by year end<sup>(1)</sup>
- Both S&P and Fitch have improved their rating outlook from negative to stable
- The IMF forecasts Irish GDP growth of 1.1% in 2013 and an average of 2.7% over 2014-2017

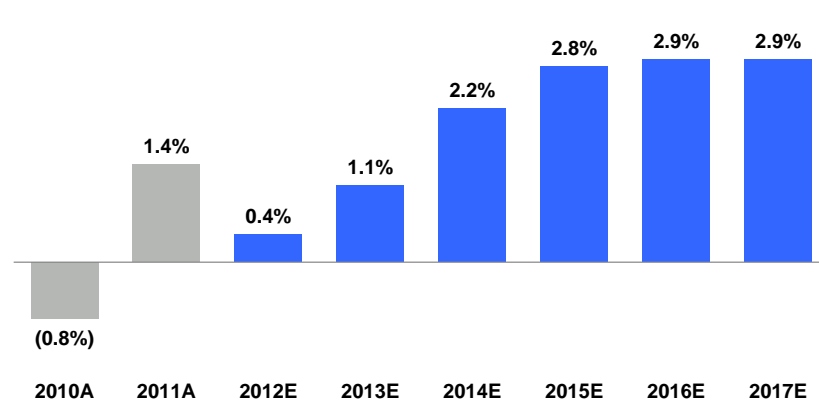
### 5 year Irish / German Bond Spread (bps)



Source: Bloomberg.

1. As per Standard & Poor's.

### Irish GDP Growth

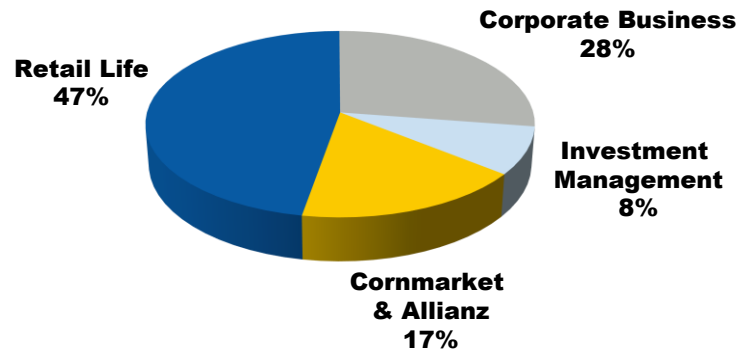


Source: IMF World Economic Outlook Database.

## Strategy and business mix highly complementary to Great-West Lifeco

- Ireland's leading provider of life insurance, pensions and investment management
- Primarily writes fee-based products including unit-linked, protection and pension products
- Limited investment performance guarantees on existing in-force business and significant reinsurance protection
- Strong multi-channel distribution platform
- Sustained profitability despite financial strains in the Eurozone and Irish economy and market
- Strong Irish regulatory capital level<sup>(1)</sup>

### IFRS Operating Profit Before Tax<sup>(2)</sup>



**Retail Life**

- Life insurance, pension and investment products
- Marketed to individuals and small business owners

**Corporate Business**

- Group risk and group DC pensions solutions
- Marketed to employers and affinity groups

**Investment Management**

- Largest Irish domestic asset manager<sup>(3)</sup>
- €37B in assets under management

**Cornmarket & Allianz**

- Cornmarket – largest independent broker in Ireland
- Allianz (Ireland) – general insurance JV

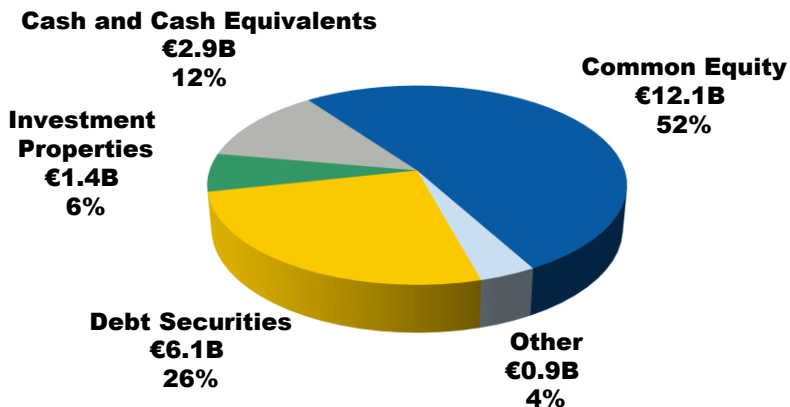
1. Irish Life Assurance Solvency ratio of 184% as at June 30, 2012.  
 2. Based on Irish Life 2011 Management Accounts, excludes assumption changes, restructuring costs, and other non-recurring expenses.  
 3. Based on market share of Irish resident investors as per Irish Association of Investment Managers (IAIM).

## Irish Life Distribution Overview

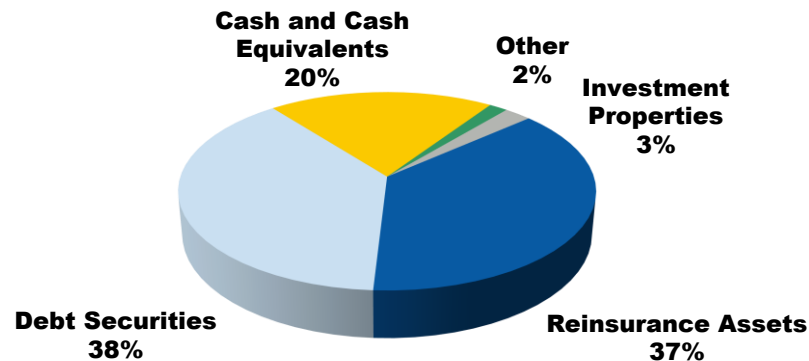
	Broker	OneSource	Banc-assurance	Direct Sales	Pension Consultants	Cornmarket
<b>Description</b>	<ul style="list-style-type: none"> <li>Independent brokerages</li> </ul>	<ul style="list-style-type: none"> <li>Irish Life franchise agents</li> </ul>	<ul style="list-style-type: none"> <li>Sales made through bank branches</li> </ul>	<ul style="list-style-type: none"> <li>Employed or Self-employed advisors</li> </ul>	<ul style="list-style-type: none"> <li>Irish offices of large multinational consulting firms</li> </ul>	<ul style="list-style-type: none"> <li>Wholly-owned brokerage focused on public sector affinity groups</li> </ul>
<b>Products</b>	<ul style="list-style-type: none"> <li>Retail &amp; Corporate</li> </ul>	<ul style="list-style-type: none"> <li>Retail &amp; Corporate</li> </ul>	<ul style="list-style-type: none"> <li>Retail</li> </ul>	<ul style="list-style-type: none"> <li>Retail &amp; Corporate</li> </ul>	<ul style="list-style-type: none"> <li>Corporate</li> </ul>	<ul style="list-style-type: none"> <li>Retail &amp; Corporate</li> <li>Irish Life &amp; 3<sup>rd</sup> party products</li> </ul>
<b>Channel Size<sup>(1)</sup></b>	<ul style="list-style-type: none"> <li>1,400 independent brokers</li> </ul>	<ul style="list-style-type: none"> <li>75 exclusive advisors</li> </ul>	<ul style="list-style-type: none"> <li>Combined 500 local branches (PTSB, ESB, Ulster Bank, and AIB)</li> </ul>	<ul style="list-style-type: none"> <li>200 exclusive advisors</li> </ul>	<ul style="list-style-type: none"> <li>10-15 large multinational pension consulting firms</li> </ul>	<ul style="list-style-type: none"> <li>85 consultants and call center staff</li> </ul>

1. Approximate figures based upon latest management estimates.

### Unit-Linked Assets - €23.4B As at June 30, 2012



### Non Unit-Linked Assets - €5.8B As at June 30, 2012



### Government & Related Bonds (C\$ millions)<sup>(1)</sup>

Country	Lifeco	Irish Life	Pro Forma
Ireland	\$68	\$414	\$482
Portugal, Italy and Spain	45	52	97
Other EU	1,906	2,357	4,263
U.K.	10,630	27	10,657
Canada	14,885	--	14,885
U.S. and Other	8,688	3	8,691
	<b>\$36,222</b>	<b>\$2,853</b>	<b>\$39,075</b>

- 80% of Irish Life portfolio assets are unit-linked
  - Fee-generating assets where the clients principally bear the investment risk
  - Do not carry North American style investment performance guarantees

1. Great-West Lifeco as at December 31, 2012 and Irish Life as at June 30, 2012.

Note: Assumes C\$:€ exchange rate of 1.34:1.00.



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