

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 first quarter 2013 results

Winnipeg, May 2, 2013 ... Great-West Lifeco Inc. (Lifeco) has reported net earnings attributable to common shareholders of \$517 million for the three months ended March 31, 2013, an increase of 15% compared to \$449 million in the first quarter of 2012. On a per common share basis, this represents \$0.544 per common share for the three months ended March 31, 2013, compared to \$0.474 per common share for the same period in 2012.

Highlights – Operating Results

- Consolidated assets under administration at March 31, 2013 were \$582 billion, up \$36 billion from December 31, 2012.
- Total Company premiums and deposits were \$16.6 billion, up 15% from the first quarter of 2012, reflecting continued strong sales in each of its operating segments.
- Total Company sales in the first quarter of 2013 grew by 23% from first quarter 2012, notably the following:
 - Canada sales were \$3 billion, up 13% compared to the first quarter of 2012.
 - Great-West Financial sales were US\$2.5 billion, up 13% compared to the first quarter of 2012.
 - Europe sales were \$961 million up 27% compared to the first quarter of 2012.
 - Putnam sales were US\$7.4 billion, up 28% compared to the first quarter of 2012. Net asset outflows in first quarter 2013 were US\$314 million compared to net outflows of US\$1,969 million for the same period in 2012.
- The Company maintained a strong ROE of 16.8% based on operating earnings and 15.7% based on net 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 210% at March 31, 2013.
- Credit experience remained favourable with minimal impacts from credit downgrade and impairment activity.
- The Company declared a quarterly common dividend of \$0.3075 per common share payable June 28, 2013.

Highlights – Proposed Acquisition and Capital Markets Activity

On February 19, 2013 the Company announced that it had reached an agreement with the Government of Ireland to acquire, through its subsidiary Canada Life Limited, all of the shares of Irish Life Group Limited (Irish Life) for \$1.75 billion (€1.3 billion). In conjunction with the proposed acquisition, the Company has successfully completed two significant capital market transactions:

- On March 12, 2013, the Company completed an issuance of subscription receipts in both public and private offerings with aggregate gross proceeds to Lifeco of approximately \$1.25 billion.
- On April 18, 2013, the Company issued €500 million of euro denominated ten year bonds, at an annual coupon of 2.50%, which were rated A+ by Standard & Poor's Ratings Services.

The Company has now raised all the funding required to complete the acquisition of Irish Life Group and has hedged all related euro currency exposures associated with the €1.3 billion purchase price.

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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 (Great-West Financial), and Putnam Investments, LLC (Putnam), together with Lifeco's corporate results.

CANADA

Net earnings attributable to common shareholders for the first quarter of 2013 were \$265 million compared to \$242 million in the first quarter of 2012.

Total sales in the first quarter of 2013 were \$3.0 billion compared to \$2.7 billion in 2012, an increase of 13%. Sales of Group insurance products were up significantly for the quarter at \$288 million from \$134 million a year ago reflecting strong large case creditor/direct marketing sales. Wealth Management sales were \$2.6 billion for the quarter, up 8% from a year ago, reflecting a 30% increase in sales of group retirement products. Wealth Management net cash flows for the quarter were \$542 million. Individual Insurance product sales were down 8% year over year reflecting lower universal life sales.

Total Canada segment assets under administration at March 31, 2013 were \$143 billion, compared to \$138 billion at December 31, 2012.

UNITED STATES

Net earnings attributable to common shareholders for the first quarter of 2013 were \$71 million compared to \$74 million in the first quarter of 2012. Great-West Financial reported net earnings of \$85 million in the first quarter compared to \$86 million for the same period last year. Putnam reported a net loss of \$14 million in the first quarter compared to a net loss of \$12 million a year ago.

Great-West Financial sales in the first quarter of 2013 were US\$2.5 billion, up 13% compared to the first quarter of 2012 reflecting strong sales in Retirement Services.

Putnam assets under management as at March 31, 2013 were US\$135 billion compared to US\$124 billion a year ago. Sales in the first quarter were US\$7.4 billion, up 28% from a year ago, however redemptions at US\$7.7 billion were at the same level as a year ago. Net asset outflows in first quarter 2013 were US\$314 million compared to net outflows of US\$1,969 million for the same period in 2012.

Total United States segment assets under administration at March 31, 2013 were \$365 billion compared to \$333 billion at December 31, 2012.

EUROPE

Net earnings attributable to common shareholders for the first quarter of 2013 were \$192 million compared to \$140 million in the first quarter of 2012.

Sales for the first quarter of 2013 were \$961 million, up 27% compared to \$755 million a year ago, reflecting strong sales of single premium savings products in the Isle of Man and payout annuities in the United Kingdom.

Total Europe segment assets under administration at March 31, 2013 were \$74 billion, down slightly from \$75 billion at December 31, 2012 primarily due to the strengthening of the Canadian dollar against the British pound.

CORPORATE

Net earnings in the Lifeco corporate segment attributable to common shareholders were a net loss of \$11 million in the first quarter of 2013 compared to a net loss of \$7 million in the first quarter of 2012.

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 June 28, 2013 to shareholders of record at the close of business May 31, 2013.

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 \$0.3000 per share

all payable June 28, 2013 to shareholders of record at the close of business May 31, 2013.

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 \$582 billion in assets under administration and are members of the Power Financial Corporation group of companies.

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

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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 first quarter conference call and audio webcast will be held May 2, 2013 at 3:30 p.m.(ET). The call and webcast can be accessed through www.greatwestlifeco.com or by phone at:

- Participants in the Toronto area: 416-340-8527
- Participants from North America: 1-877-240-9772
- Participants from Overseas: Dial international access code first, then 800-2787-2090

A replay of the call will be available from May 2, 2013, and can be accessed by calling 1-800-408-3053 or 905-694-9451 in Toronto (passcode: 8898149#). The archived webcast will be available on www.greatwestlifeco.com from May 2, 2013 until May 3, 2014.

Additional information relating to Lifeco, including the most recent interim unaudited condensed 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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GREAT-WEST LIFECO^{INC.}

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

	As at or for the three months ended		
	March 31 2013	December 31 2012	March 31 2012
Premiums and deposits:			
Life insurance, guaranteed annuities and insured health products	\$ 4,580	\$ 4,827	\$ 4,529
Self-funded premium equivalents (Administrative services only contracts)	644	677	685
Segregated funds deposits:			
Individual products	1,768	2,072	1,559
Group products	2,006	2,216	1,770
Proprietary mutual funds and institutional deposits	7,642	6,880	5,939
Total premiums and deposits	<u>16,640</u>	<u>16,672</u>	<u>14,482</u>
Fee and other income	778	767	724
Paid or credited to policyholders	5,215	5,122	4,743
Operating earnings - common shareholders	517	491	449
Net earnings - common shareholders	517	351	449
Per common share			
Operating earnings	\$ 0.544	\$ 0.517	\$ 0.474
Basic earnings	0.544	0.370	0.474
Dividends paid	0.3075	0.3075	0.3075
Book value	12.87	12.64	12.28
Return on common shareholders' equity (trailing four quarters*):			
Operating earnings	16.8%	16.5%	16.6%
Net earnings	15.7%	15.3%	17.6%
Total assets	\$ 261,338	\$ 253,612	\$ 243,759
Proprietary mutual funds and institutional net assets	146,031	134,598	131,140
Total assets under management	407,369	388,210	374,899
Other assets under administration	174,487	157,455	148,068
Total assets under administration	<u>\$ 581,856</u>	<u>\$ 545,665</u>	<u>\$ 522,967</u>
Total equity	<u>\$ 17,268</u>	<u>\$ 17,011</u>	<u>\$ 15,974</u>

The Company uses operating earnings, a non-International Financial Reporting Standards financial measure, which excludes the impact of certain litigation provisions described in note 30 to the Company's December 31, 2012 consolidated financial statements.

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

Comparative figures throughout this document, where impacted, have been restated for the retroactive impact of new and revised International Financial Reporting Standards effective during 2013 most notably IAS 19R, *Employee Benefits*.

GREAT-WEST
LIFECO INC.

CONSOLIDATED STATEMENTS OF EARNINGS *(unaudited)*
(in Canadian \$ millions except per share amounts)

	For the three months ended		
	March 31 2013	December 31 2012	March 31 2012
Income			
Premium income			
Gross premiums written	\$ 5,319	\$ 5,763	\$ 5,198
Ceded premiums	(739)	(936)	(669)
Total net premiums	<u>4,580</u>	<u>4,827</u>	<u>4,529</u>
Net investment income			
Regular net investment income	1,362	1,364	1,443
Changes in fair value through profit or loss	465	182	(196)
Total net investment income	<u>1,827</u>	<u>1,546</u>	<u>1,247</u>
Fee and other income	778	767	724
	<u>7,185</u>	<u>7,140</u>	<u>6,500</u>
Benefits and expenses			
Policyholder benefits			
Insurance and investment contracts			
Gross	4,755	4,377	4,606
Ceded	(374)	(399)	(387)
Total net policyholder benefits	<u>4,381</u>	<u>3,978</u>	<u>4,219</u>
Policyholder dividends and experience refunds	367	292	364
Change in insurance and investment contract liabilities	467	852	160
Total paid or credited to policyholders	<u>5,215</u>	<u>5,122</u>	<u>4,743</u>
Commissions	432	515	410
Operating and administrative expenses	674	645	643
Premium taxes	74	75	72
Financing charges	67	74	76
Amortization of finite life intangible assets	27	24	26
Earnings before income taxes	<u>696</u>	<u>685</u>	<u>530</u>
Income taxes	128	97	56
Net earnings before non-controlling interests	<u>568</u>	<u>588</u>	<u>474</u>
Attributable to non-controlling interests	18	205	-
Net earnings	<u>550</u>	<u>383</u>	<u>474</u>
Preferred share dividends	33	32	25
Net earnings - common shareholders	<u>\$ 517</u>	<u>\$ 351</u>	<u>\$ 449</u>
Earnings per common share			
Basic	<u>\$ 0.544</u>	<u>\$ 0.370</u>	<u>\$ 0.474</u>
Diluted	<u>\$ 0.544</u>	<u>\$ 0.369</u>	<u>\$ 0.471</u>

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

	March 31 2013	December 31 2012	January 1 2012
Assets			
Cash and cash equivalents	\$ 2,084	\$ 1,895	\$ 2,056
Bonds	85,895	82,581	78,355
Mortgage loans	17,853	17,875	17,432
Stocks	7,296	7,051	6,656
Investment properties	3,456	3,572	3,249
Loans to policyholders	7,140	7,082	7,162
	123,724	120,056	114,910
Funds held by ceding insurers	9,759	10,537	9,923
Goodwill	5,400	5,397	5,401
Intangible assets	3,152	3,115	3,154
Derivative financial instruments	862	997	968
Owner occupied properties	518	514	491
Fixed assets	153	154	137
Reinsurance assets	2,097	2,064	2,061
Other assets	5,247	4,688	4,062
Deferred tax assets	1,170	1,142	1,163
Investments on account of segregated fund policyholders	109,256	104,948	96,582
Total assets	\$ 261,338	\$ 253,612	\$ 238,852
Liabilities			
Insurance contract liabilities	\$ 119,609	\$ 119,919	\$ 114,730
Investment contract liabilities	726	739	782
Debentures and other debt instruments	4,483	4,283	4,313
Funds held under reinsurance contracts	333	335	169
Derivative financial instruments	477	342	316
Other liabilities	6,387	5,163	4,600
Deferred tax liabilities	688	708	810
Repurchase agreements	1,948	-	23
Capital trust debentures	163	164	815
Investment and insurance contracts on account of segregated fund policyholders	109,256	104,948	96,582
Total liabilities	244,070	236,601	223,140
Equity			
Non-controlling interests			
Participating account surplus in subsidiaries	2,477	2,451	2,187
Non-controlling interests in subsidiaries	6	5	3
Shareholders' equity			
Share capital			
Preferred shares	2,544	2,544	1,894
Common shares	5,868	5,848	5,828
Accumulated surplus	7,260	7,035	6,417
Accumulated other comprehensive loss	(949)	(932)	(675)
Contributed surplus	62	60	58
Total equity	17,268	17,011	15,712
Total liabilities and equity	\$ 261,338	\$ 253,612	\$ 238,852

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Segmented Information *(unaudited)*

Consolidated Net Earnings

For the three months ended March 31, 2013

	Canada	United States	Europe	Lifeco Corporate	Total
Income:					
Premium income	\$ 2,515	\$ 629	\$ 1,436	\$ -	\$ 4,580
Net investment income					
Regular net investment income	619	323	427	(7)	1,362
Changes in fair value through profit or loss	56	(6)	415	-	465
Total net investment income	675	317	842	(7)	1,827
Fee and other income	289	331	158	-	778
Total income	3,479	1,277	2,436	(7)	7,185
Benefits and expenses:					
Paid or credited to policyholders	2,456	760	1,999	-	5,215
Other	633	372	172	3	1,180
Financing charges	29	34	4	-	67
Amortization of finite life intangible assets	12	13	2	-	27
Earnings before income taxes	349	98	259	(10)	696
Income taxes	67	20	43	(2)	128
Net earnings before non-controlling interests	282	78	216	(8)	568
Non-controlling interests	15	3	-	-	18
Net earnings	267	75	216	(8)	550
Preferred share dividends	27	-	6	-	33
Net earnings before capital allocation	240	75	210	(8)	517
Impact of capital allocation	25	(4)	(18)	(3)	-
Net earnings - common shareholders	\$ 265	\$ 71	\$ 192	\$ (11)	\$ 517

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For the three months ended March 31, 2012

	Canada	United States	Europe	Lifeco Corporate	Total
Income:					
Premium income	\$ 2,365	\$ 821	\$ 1,343	\$ -	\$ 4,529
Net investment income					
Regular net investment income	658	324	463	(2)	1,443
Changes in fair value through profit or loss	(150)	21	(67)	-	(196)
Total net investment income	508	345	396	(2)	1,247
Fee and other income	277	302	145	-	724
Total income	3,150	1,468	1,884	(2)	6,500
Benefits and expenses:					
Paid or credited to policyholders	2,185	1,003	1,555	-	4,743
Other	648	331	142	4	1,125
Financing charges	38	33	5	-	76
Amortization of finite life intangible assets	11	13	2	-	26
Earnings before income taxes	268	88	180	(6)	530
Income taxes	33	9	16	(2)	56
Net earnings before non-controlling interests	235	79	164	(4)	474
Non-controlling interests	(6)	2	4	-	-
Net earnings	241	77	160	(4)	474
Preferred share dividends	18	-	6	1	25
Net earnings before capital allocation	223	77	154	(5)	449
Impact of capital allocation	19	(3)	(14)	(2)	-
Net earnings - common shareholders	\$ 242	\$ 74	\$ 140	\$ (7)	\$ 449