

---

RELEASE

TSX:GWO

**Great-West Lifeco completes offering of Preferred Shares**

WINNIPEG, May 13, 2014 – Great-West Lifeco Inc. (“Lifeco” or the “Company”) has today entered into an agreement with a syndicate of underwriters co-led by BMO Capital Markets and Scotiabank under which the underwriters have agreed to buy, on a bought deal basis, 6,000,000 Non-Cumulative First Preferred Shares, Series S (the “Series S Shares”) from Lifeco for sale to the public at a price of \$25.00 per Series S Share, representing aggregate gross proceeds of \$150 million.

Lifeco has granted the underwriters an underwriters’ option to purchase an additional 2,000,000 Series S Shares at the same offering price. Should the underwriters’ option be fully exercised, the aggregate gross proceeds of the Series S Shares offering will be \$200 million.

The Series S Shares will yield 5.25% per annum, payable quarterly, as and when declared by the Board of Directors of the Company. The Series S Shares will not be redeemable prior to June 30, 2019. On and after June 30, 2019, Lifeco may, on not less than 30 nor more than 60 days’ notice, redeem for cash the Series S Shares in whole or in part, at the Company’s option, at \$26.00 per share if redeemed on or after June 30, 2019 and prior to June 30, 2020; \$25.75 per share if redeemed on or after June 30, 2020 and prior to June 30, 2021; \$25.50 per share if redeemed on or after June 30, 2021 and prior to June 30, 2022; \$25.25 per share if redeemed on or after June 30, 2022 and prior to June 30, 2023; and \$25.00 per share if redeemed on or after June 30, 2023, in each case together with all declared and unpaid dividends up to but excluding the date of redemption.

The Series S Share offering is expected to close on May 22, 2014. The net proceeds will be used for general corporate purposes and to augment Lifeco’s current liquidity position.

The Series S Shares have not been and will not be registered under the *U.S. Securities Act of 1933*, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

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 Great-West Life, London Life, Canada Life, Irish Life, Great-West Financial and Putnam Investments. Great-West Lifeco and its companies have \$806 billion\* in consolidated assets under administration and are members of the Power Financial Corporation group of companies.

*\*Assets as of March 31, 2014*

*.../2*

***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. Material factors and assumptions that were applied in formulating the forward-looking information contained herein include the assumption that the business and economic conditions affecting the Company’s operations will continue substantially in their current state, including, without limitation, with respect to market prices for products provided, sales levels, premium income, fee income, expense levels, mortality experience, morbidity experience, policy lapse rates, taxes, inflation, information systems, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, continuity and availability of personnel and third party service providers, and the Company’s ability to complete strategic transactions and integrate acquisitions, and that there will be no unplanned material changes to the Company’s facilities, customer and employee relations or credit arrangements. Many of these assumptions are based on factors and events that are not within the control of the Company and there is no assurance that they will prove to be correct. Other important factors and assumptions that could cause actual results to differ materially from those contained in forward-looking statements include technological change, investment values, payments required under investment products, reinsurance, changes in local and international laws and regulations, changes in accounting policies and the effect of applying future accounting policy changes, unexpected judicial or regulatory proceedings and catastrophic events. The reader is cautioned that the foregoing list of assumptions and factors is not exhaustive, and there may be other factors listed in other filings with securities regulators, including factors set out in the Company’s 2013 Annual Management Discussion & Analysis (MD&A) under “Risk Management and Control Practices” and “Summary of Critical Accounting Estimates”, which, along with other filings, is available for review at [www.sedar.com](http://www.sedar.com). The reader is also cautioned to consider these and other factors carefully and not to place undue reliance on forward-looking statements. Other than as specifically required by applicable law, the Company does not intend 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.

***Not for distribution to U.S. news wire services or dissemination in the United States.***

-end-

**For more information contact:**

Marlene Klassen, APR  
Assistant Vice-President, Communication Services  
204-946-7705