

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 second quarter 2014 results

*Winnipeg, August 6, 2014* ... Great-West Lifeco Inc. (Lifeco) has reported net earnings attributable to common shareholders of \$615 million or \$0.616 per common share for the three months ended June 30, 2014 compared to \$521 million or \$0.548 per common share for the same period in 2013, an increase of 18%. Net earnings for the second quarter of 2014 include \$8 million of Irish Life Group Limited (Irish Life) related restructuring costs. Excluding these costs earnings per common share were \$0.624.

For the six months ended June 30, 2014, net earnings attributable to common shareholders were \$1,202 million, compared to \$1,038 million a year ago. This represents \$1.203 per common share for the six months ended June 30, 2014, compared to \$1.092 per common share for the same period in 2013. Net earnings for the six months ended June 30, 2014, include \$13 million of Irish Life related restructuring costs. Excluding these costs earnings per common share were \$1.216.

Consolidated assets under administration at June 30, 2014 grew to \$805 billion, compared to \$758 billion at December 31, 2013.

#### *Highlights – In Quarter*

- Lifeco premiums and deposits during the quarter were \$20.4 billion, up 33% from a year ago, including \$2.4 billion from Irish Life Group Limited (Irish Life), reflecting continued strong persistency and growth.
- Total Company sales in the second quarter of 2014 were up 30% compared to the same period in 2013:
  - Canada sales were \$2.9 billion, up 14%, reflecting a 19% increase in Individual Life insurance sales and a 14% increase in Individual Wealth Management sales.
  - Europe Insurance & Annuities sales were \$2.8 billion, up 217%, including sales of \$2.1 billion from Irish Life.
  - Putnam sales were US\$7.4 billion, up 16% overall, which reflects a 43% increase in mutual fund sales.
  - Great-West Financial sales were US\$2.2 billion, down 10%, as sales momentum gained in first quarter 2014 slowed somewhat in the Retirement Services market. Sales in Individual Markets were strong with a 68% increase year over year.
- Irish Life contributed \$57 million of net earnings to Lifeco in the second quarter of 2014, up from \$52 million in the first quarter of 2014.
- The Company maintained a strong ROE of 15.8% based on net earnings. ROE based on adjusted operating earnings was 15.0%, which excludes the impact of Irish Life related restructuring and acquisition costs and certain litigation provisions.
- The Company's capital position remained very strong. The Great-West Life Assurance Company, Lifeco's major operating subsidiary, reported a Minimum Continuing Capital and Surplus Requirements (MCCSR) ratio of 228% at June 30, 2014.
- The Company declared a quarterly common dividend of \$0.3075 per common share payable September 30, 2014.

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## OPERATING RESULTS

Consolidated net earnings of Lifeco include the net earnings of The Great-West Life Assurance Company (Great-West Life) and its operating subsidiaries London Life Insurance Company (London Life) and The Canada Life Assurance Company (Canada Life); Great-West Life & Annuity Insurance Company (Great-West Financial), and Putnam Investments, LLC (Putnam), together with Lifeco's Corporate operating results.

### CANADA

The Canada segment of Lifeco includes the operating results of the Canadian businesses operated by Great-West Life, London Life and Canada Life. The three primary business units included in this segment are Individual Insurance, Wealth Management and Group Insurance. The Company provides accumulation, annuity, life, disability and critical illness insurance products to individual and group clients.

Net earnings attributable to common shareholders for the second quarter of 2014 were \$304 million, up 8% compared to \$281 million in the second quarter of 2013. For the six months ended June 30, 2014 net earnings attributable to common shareholders were \$598 million compared to \$546 million for the same period in 2013.

Total sales in the second quarter of 2014 were \$2.9 billion, compared to \$2.5 billion in the second quarter of 2013. This reflects strong growth in Individual Insurance sales of 16% and Wealth Management sales of 15%, partially offset by lower Group Insurance sales. Total sales for the six months ended June 30, 2014 were \$6.1 billion compared to \$5.6 billion in 2013.

Total Canada segment assets under administration at June 30, 2014 were \$157 billion, compared to \$149 billion at December 31, 2013.

### UNITED STATES

The United States operating results for Lifeco include the results of Great-West Financial, Putnam and the insurance businesses in the United States branches of Great-West Life and Canada Life, together with an allocation of a portion of Lifeco's corporate results.

Great-West Financial provides an array of financial security products, including employer-sponsored defined contribution plans, administrative and record-keeping services, fund management and investment and advisory services. It also provides individual retirement accounts, life insurance and annuity products and executive benefits products. Putnam provides investment management, certain administrative functions, distributions and related services through a broad range of investment products.

Net earnings attributable to common shareholders for the second quarter of 2014 were \$69 million compared to \$73 million in the second quarter of 2013. Great-West Financial reported net earnings of \$78 million in the second quarter compared to \$87 million for the same period last year. Putnam reported a net loss of \$9 million in the second quarter compared to a net loss of \$14 million a year ago. For the six months ended June 30, 2014 net earnings attributable to common shareholders were \$110 million compared to \$144 million in 2013.

Great-West Financial sales in the second quarter of 2014 were US\$2.2 billion, down from US\$2.5 billion in the second quarter of 2013 due to lower sales in Retirement Services. This decrease was partially offset with strong growth in Individual Markets primarily due to higher executive benefit, retail bank, and IRA sales. Sales for the six months ended June 30, 2014 were US\$5.1 billion compared to US\$5.0 billion in 2013.

Putnam assets under management as at June 30, 2014 were US\$158.6 billion compared to US\$133.7 billion a year ago, an increase of 19%. Net asset inflows for the second quarter of 2014 were US\$0.2 billion compared to net asset outflows of US\$0.4 billion for the same period in 2013, driven by mutual fund net inflows of US\$1.7 billion, an increase of US\$1.6 billion compared to the same period in 2013.

Total United States segment assets under administration at June 30, 2014 were \$447 billion compared to \$421 billion at December 31, 2013.

## EUROPE

The Europe segment comprises two distinct business units: Insurance & Annuities and Reinsurance, together with an allocation of Lifeco's corporate results. Insurance & Annuities provides protection and wealth management products including payout annuities, through subsidiaries of Canada Life in the U.K., Isle of Man and Germany, and through Irish Life in Ireland. Reinsurance operates primarily in the U.S., Barbados and Ireland, and is conducted through Canada Life, London Life and their subsidiaries.

Net earnings attributable to common shareholders for the second quarter of 2014 were \$246 million compared to \$178 million a year ago. Irish Life's contribution to in-quarter net earnings was \$57 million. Restructuring costs related to the ongoing integration of Irish Life were \$8 million in-quarter. Second quarter 2013 net earnings include Irish Life acquisition related costs of \$10 million. For the six months ended June 30, 2014 net earnings attributable to common shareholders were \$505 million compared to \$370 million for the same period in 2013. On a year-to-date basis, net earnings in 2014 include a contribution from Irish Life of \$109 million and \$13 million of restructuring costs related to the ongoing integration of Irish Life. For the six months ended June 30, 2013, net earnings include Irish Life acquisition related costs of \$14 million.

Insurance & Annuities sales for the second quarter of 2014 were \$2.8 billion, including \$2.1 billion related to Irish Life, up 217% as compared to \$889 million a year ago. Total sales for the six months ended June 30, 2014 were \$6.3 billion, including \$4.7 billion related to Irish Life, compared to \$1.9 billion for the same period in 2013.

Total Europe segment assets under administration at June 30, 2014 were \$201 billion, up from \$188 billion at December 31, 2013.

## LIFECO CORPORATE

The Lifeco Corporate segment includes operating results for activities of Lifeco that are not associated with the major business units of the Company.

Net earnings in the Lifeco Corporate segment attributable to common shareholders were a net loss of \$4 million in the second quarter of 2014 compared to a net loss of \$11 million in the second quarter of 2013. For the six months ended June 30, 2014 net earnings attributable to common shareholders was a net loss of \$11 million compared to a net loss of \$22 million for the same period in 2013.

## 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 September 30, 2014 to shareholders of record at the close of business September 2, 2014.

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 L First Preferred Shares of \$0.353125 per share;
- Series M First Preferred Shares of \$0.3625 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;
- Series R First Preferred Shares of \$0.3000 per share; and
- Series S First Preferred Shares of \$0.47106 per share

all payable September 30, 2014 to shareholders of record at the close of business September 2, 2014.

## GREAT-WEST LIFE CO

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 \$805 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. 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, 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.

*Further information*

Selected financial information is attached.

Great-West Lifeco's second quarter conference call and audio webcast will be held August 7, 2014 at 11:30 a.m. (EDT). The call and webcast can be accessed through [www.greatwestlifeco.com](http://www.greatwestlifeco.com) or by phone at:

- Participants in the Toronto area: 416-340-8061
- Participants from North America: 1-866-225-0198
- Participants from Overseas: Dial international access code first, then 800-6578-9898

A replay of the call will be available from August 7, 2014, 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](http://www.greatwestlifeco.com) from August 7, 2014 until August 6, 2015.

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](http://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			For the six months ended	
	June 30 2014	March 31 2014	June 30 2013*	June 30 2014	June 30 2013*
Premiums and deposits:					
Life insurance, guaranteed annuities and insured health products, net	\$ 5,764	\$ 5,267	\$ 4,596	\$ 11,031	\$ 9,527
Self-funded premium equivalents (Administrative services only contracts)	658	658	654	1,316	1,298
Segregated funds deposits:					
Individual products	2,830	2,946	1,431	5,776	3,199
Group products	1,940	3,364	1,900	5,304	3,906
Proprietary mutual funds and institutional deposits	9,160	11,662	6,677	20,822	14,319
Total premiums and deposits	<u>20,352</u>	<u>23,897</u>	<u>15,258</u>	<u>44,249</u>	<u>32,249</u>
Fee and other income	1,110	1,059	831	2,169	1,629
Paid or credited to policyholders <sup>(1)</sup>	7,580	7,489	1,579	15,069	7,139
Operating earnings - common shareholders	615	587	521	1,202	1,038
Net earnings - common shareholders	<u>615</u>	<u>587</u>	<u>521</u>	<u>1,202</u>	<u>1,038</u>
<b>Per common share</b>					
Basic earnings	\$ 0.616	\$ 0.587	\$ 0.548	\$ 1.203	\$ 1.092
Dividends paid	0.3075	0.3075	0.3075	0.615	0.615
Book value	16.04	16.05	13.48		
<b>Return on common shareholders' equity:</b>					
Operating earnings	14.3%	14.5%	16.8%		
Net earnings	15.8%	16.0%	15.6%		
Total assets	\$ 344,380	\$ 342,860	\$ 264,805		
Proprietary mutual funds and institutional net assets	200,113	199,921	149,049		
Total assets under management	544,493	542,781	413,854		
Other assets under administration	260,079	263,113	182,247		
Total assets under administration	<u>\$ 804,572</u>	<u>\$ 805,894</u>	<u>\$ 596,101</u>		
Total equity	<u>\$ 21,122</u>	<u>\$ 20,964</u>	<u>\$ 17,843</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 33 to the Company's December 31, 2013 consolidated financial statements.

<sup>(1)</sup> Paid or credited to policyholders includes the impact of changes in fair values of assets supporting insurance and investment contract liabilities.

\* Certain comparative figures have been reclassified for presentation adjustments.

**CONSOLIDATED STATEMENTS OF EARNINGS** *(unaudited)*

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

	For the three months ended			For the six months ended	
	June 30 2014	March 31 2014	June 30 2013	June 30 2014	June 30 2013
<b>Income</b>					
Premium income					
Gross premiums written	\$ 6,646	\$ 6,111	\$ 5,377	\$ 12,757	\$ 11,047
Ceded premiums	(882)	(844)	(781)	(1,726)	(1,520)
Total net premiums	<u>5,764</u>	<u>5,267</u>	<u>4,596</u>	<u>11,031</u>	<u>9,527</u>
Net investment income					
Regular net investment income	1,526	1,489	1,401	3,015	2,763
Changes in fair value through profit or loss	1,670	2,122	(3,200)	3,792	(2,735)
Total net investment income	<u>3,196</u>	<u>3,611</u>	<u>(1,799)</u>	<u>6,807</u>	<u>28</u>
Fee and other income	1,110	1,059	831	2,169	1,629
	<u>10,070</u>	<u>9,937</u>	<u>3,628</u>	<u>20,007</u>	<u>11,184</u>
<b>Benefits and expenses</b>					
Policyholder benefits					
Insurance and investment contracts					
Gross	4,592	4,801	4,215	9,393	9,242
Ceded	(476)	(475)	(362)	(951)	(736)
Total net policyholder benefits	<u>4,116</u>	<u>4,326</u>	<u>3,853</u>	<u>8,442</u>	<u>8,506</u>
Policyholder dividends and experience refunds	358	388	366	746	741
Changes in insurance and investment contract liabilities	3,106	2,775	(2,640)	5,881	(2,108)
Total paid or credited to policyholders	<u>7,580</u>	<u>7,489</u>	<u>1,579</u>	<u>15,069</u>	<u>7,139</u>
Commissions	546	505	443	1,051	875
Operating and administrative expenses	915	933	720	1,848	1,416
Premium taxes	83	85	72	168	146
Financing charges	76	76	74	152	141
Amortization of finite life intangible assets	32	33	29	65	56
Restructuring and acquisition expenses	10	5	10	15	14
<b>Earnings before income taxes</b>	<u>828</u>	<u>811</u>	<u>701</u>	<u>1,639</u>	<u>1,397</u>
Income taxes	156	173	128	329	256
<b>Net earnings before non-controlling interests</b>	<u>672</u>	<u>638</u>	<u>573</u>	<u>1,310</u>	<u>1,141</u>
Attributable to non-controlling interests	28	22	20	50	38
<b>Net earnings</b>	<u>644</u>	<u>616</u>	<u>553</u>	<u>1,260</u>	<u>1,103</u>
Preferred share dividends	29	29	32	58	65
<b>Net earnings - common shareholders</b>	<u>\$ 615</u>	<u>\$ 587</u>	<u>\$ 521</u>	<u>\$ 1,202</u>	<u>\$ 1,038</u>
<b>Earnings per common share</b>					
Basic	<u>\$ 0.616</u>	<u>\$ 0.587</u>	<u>\$ 0.548</u>	<u>\$ 1.203</u>	<u>\$ 1.092</u>
Diluted	<u>\$ 0.615</u>	<u>\$ 0.587</u>	<u>\$ 0.547</u>	<u>\$ 1.202</u>	<u>\$ 1.091</u>

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

	June 30 2014	December 31 2013
<b>Assets</b>		
Cash and cash equivalents	\$ 3,109	\$ 2,791
Bonds	95,959	89,914
Mortgage loans	20,077	19,063
Stocks	8,118	8,554
Investment properties	4,503	4,288
Loans to policyholders	7,428	7,332
	<u>139,194</u>	<u>131,942</u>
Funds held by ceding insurers	11,906	10,832
Goodwill	5,810	5,812
Intangible assets	3,468	3,456
Derivative financial instruments	683	593
Owner occupied properties	594	590
Fixed assets	206	211
Reinsurance assets	5,309	5,070
Premiums in course of collection, accounts and interest receivable	3,250	3,068
Other assets	2,229	2,220
Current income taxes	205	165
Deferred tax assets	1,144	1,167
Investments on account of segregated fund policyholders	170,382	160,779
	<u>170,382</u>	<u>160,779</u>
<b>Total assets</b>	<u>\$ 344,380</u>	<u>\$ 325,905</u>
<b>Liabilities</b>		
Insurance contract liabilities	\$ 138,965	\$ 131,174
Investment contract liabilities	870	889
Debentures and other debt instruments	5,608	5,740
Funds held under reinsurance contracts	303	270
Derivative financial instruments	696	744
Accounts payable	1,450	1,583
Other liabilities	3,181	2,807
Current income taxes	776	981
Deferred tax liabilities	865	776
Capital trust debentures	162	163
Investment and insurance contracts on account of segregated fund policyholders	170,382	160,779
	<u>170,382</u>	<u>160,779</u>
<b>Total liabilities</b>	<u>323,258</u>	<u>305,906</u>
<b>Equity</b>		
Non-controlling interests		
Participating account surplus in subsidiaries	2,423	2,354
Non-controlling interests in subsidiaries	165	8
Shareholders' equity		
Share capital		
Preferred shares	2,514	2,314
Common shares	7,115	7,112
Accumulated surplus	8,634	8,067
Accumulated other comprehensive income	184	87
Contributed surplus	87	57
	<u>21,122</u>	<u>19,999</u>
<b>Total equity</b>	<u>21,122</u>	<u>19,999</u>
<b>Total liabilities and equity</b>	<u>\$ 344,380</u>	<u>\$ 325,905</u>



**Segmented Information** *(unaudited)*

**Consolidated Net Earnings**

For the three months ended June 30, 2014

	Canada	United States	Europe	Lifeco Corporate	Total
<b>Income:</b>					
Total net premiums	\$ 2,776	\$ 832	\$ 2,156	\$ -	\$ 5,764
Net investment income					
Regular net investment income	643	352	529	2	1,526
Changes in fair value through profit or loss	780	302	588	-	1,670
Total net investment income	1,423	654	1,117	2	3,196
Fee and other income	356	436	318	-	1,110
	<b>4,555</b>	<b>1,922</b>	<b>3,591</b>	<b>2</b>	<b>10,070</b>
<b>Benefits and expenses:</b>					
Paid or credited to policyholders	3,367	1,295	2,918	-	7,580
Other*	728	478	332	6	1,544
Financing charges	29	35	12	-	76
Amortization of finite life intangible assets	13	14	5	-	32
Restructuring and acquisition expenses	-	-	10	-	10
<b>Earnings (loss) before income taxes</b>	<b>418</b>	<b>100</b>	<b>314</b>	<b>(4)</b>	<b>828</b>
Income taxes	90	25	42	(1)	156
<b>Net earnings (loss) before non-controlling interests</b>	<b>328</b>	<b>75</b>	<b>272</b>	<b>(3)</b>	<b>672</b>
Non-controlling interests	24	2	2	-	28
<b>Net earnings (loss)</b>	<b>304</b>	<b>73</b>	<b>270</b>	<b>(3)</b>	<b>644</b>
Preferred share dividends	24	-	5	-	29
<b>Net earnings (loss) before capital allocation</b>	<b>280</b>	<b>73</b>	<b>265</b>	<b>(3)</b>	<b>615</b>
Impact of capital allocation	24	(4)	(19)	(1)	-
<b>Net earnings (loss) - common shareholders</b>	<b>\$ 304</b>	<b>\$ 69</b>	<b>\$ 246</b>	<b>\$ (4)</b>	<b>\$ 615</b>

\* Includes commissions, operating and administrative expenses and premium taxes.

GREAT-WEST  
LIFECO INC.

For the three months ended June 30, 2013

	Canada	United States	Europe	Lifeco Corporate	Total
Income:					
Total net premiums	\$ 2,469	\$ 700	\$ 1,427	\$ -	\$ 4,596
Net investment income					
Regular net investment income	620	342	436	3	1,401
Changes in fair value through profit or loss	(1,276)	(501)	(1,423)	-	(3,200)
Total net investment income	(656)	(159)	(987)	3	(1,799)
Fee and other income	316	349	166	-	831
	<u>2,129</u>	<u>890</u>	<u>606</u>	<u>3</u>	<u>3,628</u>
Benefits and expenses:					
Paid or credited to policyholders	1,053	366	160	-	1,579
Other*	666	379	183	7	1,235
Financing charges	28	34	5	7	74
Amortization of finite life intangible assets	13	13	3	-	29
Restructuring and acquisition expenses	-	-	10	-	10
Earnings (loss) before income taxes	369	98	245	(11)	701
Income taxes	67	20	44	(3)	128
Net earnings (loss) before non-controlling interests	302	78	201	(8)	573
Non-controlling interests	19	1	-	-	20
Net earnings (loss)	283	77	201	(8)	553
Preferred share dividends	27	-	5	-	32
Net earnings (loss) before capital allocation	256	77	196	(8)	521
Impact of capital allocation	25	(4)	(18)	(3)	-
Net earnings (loss) - common shareholders	<u>\$ 281</u>	<u>\$ 73</u>	<u>\$ 178</u>	<u>\$ (11)</u>	<u>\$ 521</u>

\* Includes commissions, operating and administrative expenses and premium taxes.

GREAT-WEST  
**LIFECO** INC.

For the six months ended June 30, 2014

	Canada	United States	Europe	Lifeco Corporate	Total
<b>Income:</b>					
Total net premiums	\$ 5,389	\$ 1,644	\$ 3,998	\$ -	\$ 11,031
Net investment income					
Regular net investment income	1,281	709	1,027	(2)	3,015
Changes in fair value through profit or loss	1,727	625	1,440	-	3,792
Total net investment income	3,008	1,334	2,467	(2)	6,807
Fee and other income	700	855	614	-	2,169
	<u>9,097</u>	<u>3,833</u>	<u>7,079</u>	<u>(2)</u>	<u>20,007</u>
<b>Benefits and expenses:</b>					
Paid or credited to policyholders	6,732	2,593	5,744	-	15,069
Other*	1,443	972	642	10	3,067
Financing charges	58	70	24	-	152
Amortization of finite life intangible assets	26	29	10	-	65
Restructuring and acquisition expenses	-	-	15	-	15
<b>Earnings (loss) before income taxes</b>	<b>838</b>	<b>169</b>	<b>644</b>	<b>(12)</b>	<b>1,639</b>
Income taxes	195	48	89	(3)	329
<b>Net earnings (loss) before non-controlling interests</b>	<b>643</b>	<b>121</b>	<b>555</b>	<b>(9)</b>	<b>1,310</b>
Non-controlling interests	46	3	1	-	50
<b>Net earnings (loss)</b>	<b>597</b>	<b>118</b>	<b>554</b>	<b>(9)</b>	<b>1,260</b>
Preferred share dividends	47	-	11	-	58
<b>Net earnings (loss) before capital allocation</b>	<b>550</b>	<b>118</b>	<b>543</b>	<b>(9)</b>	<b>1,202</b>
Impact of capital allocation	48	(8)	(38)	(2)	-
<b>Net earnings (loss) - common shareholders</b>	<b>\$ 598</b>	<b>\$ 110</b>	<b>\$ 505</b>	<b>\$ (11)</b>	<b>\$ 1,202</b>

\* Includes commissions, operating and administrative expenses and premium taxes.

GREAT-WEST  
LIFECO INC.

For the six months ended June 30, 2013

	Canada	United States	Europe	Lifeco Corporate	Total
<b>Income:</b>					
Total net premiums	\$ 4,984	\$ 1,329	\$ 3,214	\$ -	\$ 9,527
Net investment income					
Regular net investment income	1,239	665	863	(4)	2,763
Changes in fair value through profit or loss	(1,220)	(507)	(1,008)	-	(2,735)
Total net investment income	19	158	(145)	(4)	28
Fee and other income	625	686	318	-	1,629
	<u>5,628</u>	<u>2,173</u>	<u>3,387</u>	<u>(4)</u>	<u>11,184</u>
<b>Benefits and expenses:</b>					
Paid or credited to policyholders	3,509	1,126	2,504	-	7,139
Other*	1,319	757	351	10	2,437
Financing charges	57	68	9	7	141
Amortization of finite life intangible assets	25	26	5	-	56
Restructuring and acquisition expenses	-	-	14	-	14
Earnings (loss) before income taxes	718	196	504	(21)	1,397
Income taxes	134	40	87	(5)	256
Net earnings (loss) before non-controlling interests	584	156	417	(16)	1,141
Non-controlling interests	34	4	-	-	38
Net earnings (loss)	550	152	417	(16)	1,103
Preferred share dividends	54	-	11	-	65
Net earnings (loss) before capital allocation	496	152	406	(16)	1,038
Impact of capital allocation	50	(8)	(36)	(6)	-
Net earnings (loss) - common shareholders	<u>\$ 546</u>	<u>\$ 144</u>	<u>\$ 370</u>	<u>\$ (22)</u>	<u>\$ 1,038</u>

\* Includes commissions, operating and administrative expenses and premium taxes.