

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 2015 results

Toronto, May 7, 2015 ... Great-West Lifeco Inc. (Lifeco) has reported net earnings attributable to common shareholders of \$700 million or \$0.702 per common share for the three months ended March 31, 2015 compared to \$587 million or \$0.587 per common share for the same period in 2014, an increase of 19%.

Consolidated assets under administration at March 31, 2015 grew to \$1.2 trillion, up \$114 billion from December 31, 2014.

Highlights – In Quarter

- Strong earnings growth in all geographies reflecting solid top line growth, higher assets under management and continued strong experience gains.
- Total Company sales in the first quarter of 2015 of \$27.1 billion were up 36% from the same quarter in 2014:
 - Canada sales of \$3.2 billion were comparable to the same quarter in 2014 as Wealth Management and participating life sales continued to be strong.
 - Europe sales were \$4.5 billion, up 27%, primarily reflecting the impact of the acquisition of Equitable Life Assurance Society's annuity business.
 - Great-West Financial sales were US\$7.4 billion, up 156%, primarily due to an increase in large plan sales in Empower Retirement.
 - Putnam sales were US\$8.3 billion, down 9% from the first quarter of 2014, primarily due to lower mutual fund sales compared to very strong sales a year ago.
- On March 3, 2015, the Company announced that it reached an agreement with The Equitable Life Assurance Society (Equitable Life) in the U.K. to acquire approximately \$1.6 billion of assets and liabilities associated with Equitable Life's annuity business.
- On February 10, 2015, the Company announced that it reached an agreement to acquire Legal & General International (Ireland) Limited, a provider of investment and tax planning solutions, primarily focused on the U.K. high net worth market with assets under administration of approximately £2.5 billion.
- The Company maintained a strong ROE of 16.0% based on net earnings.
- The Company's capital position remained very strong. The Great-West Life Assurance Company reported a Minimum Continuing Capital Surplus Requirements (MCCSR) ratio of 222% at March 31, 2015.
- The Company declared a quarterly common dividend of \$0.3260 per common share payable June 30, 2015.

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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, together with an allocation of a portion of Lifeco's corporate results. 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 first quarter of 2015 were \$299 million, up 2% compared to \$294 million in the first quarter of 2014.

Total sales in the first quarter of 2015 of \$3.2 billion were comparable to the first quarter of 2014, reflecting continued strong Wealth Management and participating life insurance sales, partially offset by lower Group creditor and single premium group annuity sales.

Total Canada segment assets under administration at March 31, 2015 were \$167 billion, compared to \$161 billion at December 31, 2014.

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, and specifically the Empower Retirement brand, provides an array of financial security products, including employer-sponsored defined contribution plans, administrative and recordkeeping services, individual retirement accounts, fund management and investment and advisory services. It also provides 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 first quarter of 2015 were \$121 million, reflecting Great-West Financial net earnings of \$119 million and Putnam net earnings of \$2 million, compared to \$41 million in the first quarter of 2014.

Great-West Financial sales in the first quarter of 2015 were US\$7.4 billion, up from US\$2.9 billion in the first quarter of 2014, primarily due to a \$3.4 billion increase in large plan sales under the Empower Retirement brand.

Putnam assets under management as at March 31, 2015 were US\$159 billion compared to US\$153 billion a year ago, an increase of 4%, primarily due to the impact of positive market and investment performance. Net asset inflows for the first quarter of 2015 were nominal compared to net asset inflows of US\$1.1 billion for the same quarter in 2014, as in-quarter mutual fund net asset inflows of US\$0.4 billion were offset by institutional outflows of US\$0.4 billion.

Total United States segment assets under administration at March 31, 2015 were \$787 billion compared to \$697 billion at December 31, 2014.

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 first quarter of 2015 were \$286 million, up 10% compared to \$259 million in the first quarter of 2014.

Insurance & Annuities sales for the first quarter of 2015 were \$4.5 billion, compared to \$3.5 billion a year ago, an increase of 27%, primarily reflecting the impact of the acquisition of Equitable Life's annuity business.

Total Europe segment assets under administration at March 31, 2015 were \$223 billion, up from \$205 billion at December 31, 2014, primarily due to the impact of positive market and investment performance.

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.

Lifeco Corporate segment net loss attributable to common shareholders was \$6 million in the first quarter of 2015 compared to a net loss of \$7 million in the first quarter of 2014.

QUARTERLY DIVIDENDS

At its meeting today, the Board of Directors approved a quarterly dividend of \$0.3260 per share on the common shares of the Company payable June 30, 2015 to shareholders of record at the close of business June 2, 2015.

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 \$0.36250 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;
- Series R First Preferred Shares of \$0.3000 per share; and
- Series S First Preferred Shares of \$0.328125 per share

all payable June 30, 2015 to shareholders of record at the close of business June 2, 2015.

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

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 Great-West Life, London Life, Canada Life, Irish Life, Great-West Financial and Putnam Investments. Great-West Lifeco and its companies have \$1.2 trillion 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, reinsurance, taxes, inflation, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, investment values, 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, breaches or failure of information systems and security (including cyber attacks), payments required under investment products, 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 2014 Annual 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. 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", "assets under management", "assets under administration" and other similar expressions. Non-IFRS financial measures are used to provide management and investors with additional measures of performance to help assess results where no comparable IFRS measure exists. 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 7, 2015 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: 416-340-2216
- Participants from North America: 1-800-355-4959
- For International participants: Look up the dial-in information for your location here: <https://www.conf solutions.ca/ILT?oss=1P1R8003554959>

A replay of the call will be available from May 7 to 14, 2015, and can be accessed by calling 1-800-408-3053 or 905-694-9451 in Toronto (passcode: 8784372#). The archived webcast will be available on www.greatwestlifeco.com from May 7, 2015 until May 6, 2016.

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 certification 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 2015	December 31 2014	March 31 2014 ⁽²⁾⁽⁴⁾
Premiums and deposits:			
Net premium income (Life insurance, guaranteed annuities and insured health products)	\$ 6,932	\$ 5,501	\$ 5,267
Policyholder deposits (segregated funds):			
Individual products	2,981	3,185	2,946
Group products	2,035	1,955	3,364
Premiums and deposits	11,948	10,641	11,577
Self-funded premium equivalents (Administrative services only contracts) ⁽¹⁾	662	654	658
Proprietary mutual funds & institutional deposits ⁽¹⁾⁽²⁾	12,938	12,729	12,295
Total premiums and deposits⁽¹⁾	25,548	24,024	24,530
Fee and other income	1,258	1,161	1,059
Paid or credited to policyholders⁽³⁾	9,889	8,125	7,489
Earnings			
Net earnings - common shareholders	\$ 700	\$ 657	\$ 587
Per common share			
Basic earnings	0.702	0.658	0.587
Dividends paid	0.3260	0.3075	0.3075
Book value ⁽⁴⁾	17.68	16.80	15.88
Return on common shareholders' equity⁽⁴⁾⁽⁵⁾			
Operating earnings ⁽⁶⁾	16.0%	15.7%	14.7%
Net earnings	16.0%	15.7%	16.2%
Total assets⁽⁴⁾			
	\$ 381,331	\$ 356,709	\$ 342,830
Proprietary mutual funds and institutional net assets ⁽⁷⁾	238,650	216,271	199,921
Total assets under management⁽⁴⁾⁽⁷⁾	619,981	572,980	542,751
Other assets under administration ⁽⁸⁾	556,893	490,353	263,113
Total assets under administration⁽⁴⁾	\$ 1,176,874	\$ 1,063,333	\$ 805,864
Total equity⁽⁴⁾	\$ 22,888	\$ 21,897	\$ 20,787

⁽¹⁾ In addition to premiums and deposits reported in the financial statements, the Company includes premium equivalents on self-funded group insurance administrative services only (ASO) contracts and deposits on proprietary mutual funds and institutional accounts to calculate total premiums and deposits (a non-IFRS financial measure). This measure provides useful information as it is an indicator of top line growth.

⁽²⁾ Comparative figures for premiums and deposits (a non-IFRS financial measure) have been restated for consistency.

⁽³⁾ Paid or credited to policyholders includes the impact of changes in fair values of assets supporting insurance and investment contract liabilities.

⁽⁴⁾ Comparative figures have been adjusted as described in note 2 to the Company's condensed consolidated financial statements for the period ended March 31, 2015.

⁽⁵⁾ Return on shareholders' equity is detailed within the "Capital Allocation Methodology" section of the Company's March 31, 2015 Management's Discussion and Analysis.

⁽⁶⁾ Operating earnings (a non-IFRS financial measure) excludes the impact of certain litigation provisions described in note 32 to the Company's December 31, 2014 annual consolidated financial statements.

⁽⁷⁾ Total assets under management (a non-IFRS financial measure) provides an indicator of the size and volume of the overall business of the Company. Services provided in respect of assets under management include the selection of investments, the provision of investment advice and discretionary portfolio management on behalf of clients. This includes internally and externally managed funds where the Company has oversight over the investment policies.

⁽⁸⁾ Other assets under administration (a non-IFRS financial measure) include assets where the Company only provides administration services for which the Company earns fee and other income. These assets are beneficially owned by clients and the Company does not direct the investing activities. Services provided relating to assets under administration include recordkeeping, safekeeping, collecting investment income, settling of transactions or other administrative services. Administrative services are an important aspect of the overall business of the Company and should be considered when comparing volumes, size and trends.

CONSOLIDATED STATEMENTS OF EARNINGS *(unaudited)*

(in Canadian \$ millions except per share amounts)

	For the three months ended		
	March 31 2015	December 31 2014	March 31 2014
Income			
Premium income			
Gross premiums written	\$ 7,806	\$ 6,402	\$ 6,111
Ceded premiums	(874)	(901)	(844)
Total net premiums	<u>6,932</u>	<u>5,501</u>	<u>5,267</u>
Net investment income			
Regular net investment income	1,536	1,516	1,489
Changes in fair value through profit or loss	2,953	2,545	2,122
Total net investment income	<u>4,489</u>	<u>4,061</u>	<u>3,611</u>
Fee and other income	1,258	1,161	1,059
	<u>12,679</u>	<u>10,723</u>	<u>9,937</u>
Benefits and expenses			
Policyholder benefits			
Insurance and investment contracts			
Gross	5,640	5,335	4,801
Ceded	(483)	(513)	(475)
Total net policyholder benefits	<u>5,157</u>	<u>4,822</u>	<u>4,326</u>
Policyholder dividends and experience refunds	381	369	388
Changes in insurance and investment contract liabilities	4,351	2,934	2,775
Total paid or credited to policyholders	<u>9,889</u>	<u>8,125</u>	<u>7,489</u>
Commissions	515	514	505
Operating and administrative expenses	1,078	1,005	933
Premium taxes	84	86	85
Financing charges	77	77	76
Amortization of finite life intangible assets	36	34	33
Restructuring and acquisition expenses	7	7	5
Earnings before income taxes	<u>993</u>	<u>875</u>	<u>811</u>
Income taxes	224	164	173
Net earnings before non-controlling interests	<u>769</u>	<u>711</u>	<u>638</u>
Attributable to non-controlling interests	37	23	22
Net earnings	<u>732</u>	<u>688</u>	<u>616</u>
Preferred share dividends	32	31	29
Net earnings - common shareholders	<u>\$ 700</u>	<u>\$ 657</u>	<u>\$ 587</u>
Earnings per common share			
Basic	<u>\$ 0.702</u>	<u>\$ 0.658</u>	<u>\$ 0.587</u>
Diluted	<u>\$ 0.700</u>	<u>\$ 0.657</u>	<u>\$ 0.587</u>

GREAT-WEST
LIFECO INC.

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

	March 31 2015	December 31 2014
Assets		
Cash and cash equivalents	\$ 3,197	\$ 2,498
Bonds	109,895	103,168
Mortgage loans	21,184	20,546
Stocks	7,797	7,820
Investment properties	4,943	4,613
Loans to policyholders	8,195	7,711
	<u>155,211</u>	<u>146,356</u>
Funds held by ceding insurers	14,242	12,154
Goodwill	5,859	5,855
Intangible assets	3,804	3,625
Derivative financial instruments	583	652
Owner occupied properties	631	619
Fixed assets	235	228
Reinsurance assets	5,187	5,151
Premiums in course of collection, accounts and interest receivable	3,862	3,056
Other assets	2,430	2,368
Current income taxes	44	48
Deferred tax assets	1,810	1,631
Investments on account of segregated fund policyholders	187,433	174,966
Total assets	<u>\$ 381,331</u>	<u>\$ 356,709</u>
Liabilities		
Insurance contract liabilities	\$ 154,494	\$ 145,198
Investment contract liabilities	868	857
Debentures and other debt instruments	5,370	5,355
Funds held under reinsurance contracts	332	313
Derivative financial instruments	1,893	1,195
Accounts payable	2,031	1,480
Other liabilities	3,653	3,099
Current income taxes	673	737
Deferred tax liabilities	1,534	1,450
Capital trust debentures	162	162
Investment and insurance contracts on account of segregated fund policyholders	187,433	174,966
Total liabilities	<u>358,443</u>	<u>334,812</u>
Equity		
Non-controlling interests		
Participating account surplus in subsidiaries	2,541	2,480
Non-controlling interests in subsidiaries	200	163
Shareholders' equity		
Share capital		
Preferred shares	2,514	2,514
Common shares	7,154	7,102
Accumulated surplus	9,491	9,134
Accumulated other comprehensive income	889	378
Contributed surplus	99	126
Total equity	<u>22,888</u>	<u>21,897</u>
Total liabilities and equity	<u>\$ 381,331</u>	<u>\$ 356,709</u>

Segmented Information *(unaudited)*

Consolidated Net Earnings

For the three months ended March 31, 2015

	Canada	United States	Europe	Lifeco Corporate	Total
Income					
Total net premiums	\$ 2,667	\$ 729	\$ 3,536	\$ —	\$ 6,932
Net investment income					
Regular net investment income	629	395	513	(1)	1,536
Changes in fair value through profit or loss	1,376	232	1,345	—	2,953
Total net investment income	2,005	627	1,858	(1)	4,489
Fee and other income	358	573	327	—	1,258
	<u>5,030</u>	<u>1,929</u>	<u>5,721</u>	<u>(1)</u>	<u>12,679</u>
Benefits and expenses					
Paid or credited to policyholders	3,765	1,121	5,003	—	9,889
Other ⁽¹⁾	763	586	324	4	1,677
Financing charges	29	36	12	—	77
Amortization of finite life intangible assets	14	17	5	—	36
Restructuring and acquisition expenses	—	1	6	—	7
Earnings (loss) before income taxes	459	168	371	(5)	993
Income taxes	123	44	58	(1)	224
Net earnings (loss) before non-controlling interests	336	124	313	(4)	769
Non-controlling interests	33	2	2	—	37
Net earnings (loss)	303	122	311	(4)	732
Preferred share dividends	26	—	6	—	32
Net earnings (loss) before capital allocation	277	122	305	(4)	700
Impact of capital allocation	22	(1)	(19)	(2)	—
Net earnings (loss) - common shareholders	<u>\$ 299</u>	<u>\$ 121</u>	<u>\$ 286</u>	<u>\$ (6)</u>	<u>\$ 700</u>

⁽¹⁾ Includes commissions, operating and administrative expenses and premium taxes.

GREAT-WEST LIFECO_{INC.}

For the three months ended March 31, 2014

	Canada	United States	Europe	Lifeco Corporate	Total
Income					
Total net premiums	\$ 2,613	\$ 812	\$ 1,842	\$ —	\$ 5,267
Net investment income					
Regular net investment income	638	357	498	(4)	1,489
Changes in fair value through profit or loss	947	323	852	—	2,122
Total net investment income	1,585	680	1,350	(4)	3,611
Fee and other income	344	419	296	—	1,059
	<u>4,542</u>	<u>1,911</u>	<u>3,488</u>	<u>(4)</u>	<u>9,937</u>
Benefits and expenses					
Paid or credited to policyholders	3,365	1,298	2,826	—	7,489
Other ⁽¹⁾	715	494	310	4	1,523
Financing charges	29	35	12	—	76
Amortization of finite life intangible assets	13	15	5	—	33
Restructuring and acquisition expenses	—	—	5	—	5
Earnings (loss) before income taxes	420	69	330	(8)	811
Income taxes	105	23	47	(2)	173
Net earnings (loss) before non-controlling interests	315	46	283	(6)	638
Non-controlling interests	22	1	(1)	—	22
Net earnings (loss)	293	45	284	(6)	616
Preferred share dividends	23	—	6	—	29
Net earnings (loss) before capital allocation	270	45	278	(6)	587
Impact of capital allocation	24	(4)	(19)	(1)	—
Net earnings (loss) - common shareholders	<u>\$ 294</u>	<u>\$ 41</u>	<u>\$ 259</u>	<u>\$ (7)</u>	<u>\$ 587</u>

⁽¹⁾ Includes commissions, operating and administrative expenses and premium taxes.