

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 2015 results

Winnipeg, August 5, 2015 ... Great-West Lifeco Inc. (Lifeco) has reported net earnings attributable to common shareholders of \$659 million or \$0.661 per common share for the three months ended June 30, 2015 compared to \$615 million or \$0.616 per common share for the same period in 2014, an increase of 7%.

For the six months ended June 30, 2015, net earnings attributable to common shareholders were \$1,359 million, compared to \$1,202 million for the same period in 2014, an increase of 13%. This represents \$1.363 per common share for the six months ended June 30, 2015, compared to \$1.203 per common share for the same period in 2014.

Consolidated assets under administration at June 30, 2015 were \$1.1 trillion, up \$85 billion from December 31, 2014.

Highlights – In Quarter

- Total Company sales in the second quarter of 2015 of \$24.5 billion were up 52% from the same quarter in 2014:
 - Canada sales were \$3.0 billion, up 4%, due to continued growth of insurance and individual Wealth Management sales.
 - Europe sales were \$3.4 billion, up 21%, primarily due to strong growth in Ireland and Germany.
 - Great-West Financial sales were US\$7.8 billion, up 250%, due to continued strong sales in Empower Retirement.
 - Putnam gross sales were US\$6.9 billion, down 6% overall. Institutional sales increased 42%, while mutual fund sales decreased by 21%.
- The last of the policy migration activities for the Irish Life integration successfully concluded during the second quarter of 2015. The Company now expects to realize €48 million of annualized synergies from the acquisition of Irish Life, exceeding the annualized synergy target of €40 million by 20%.
- The Company maintained a strong ROE of 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 Surplus Requirements (MCCSR) ratio of 229% at June 30, 2015.
- The Company declared a quarterly common dividend of \$0.3260 per common share payable September 30, 2015.

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) and Irish Life Group Limited (Irish 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. Great-West Life, London Life and Canada Life provide 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 2015 were \$308 million, up 1% compared to \$304 million in the second quarter of 2014. For the six months ended June 30, 2015, net earnings attributable to common shareholders were \$607 million compared to \$598 million for the same period in 2014.

Total sales in the second quarter of 2015 of \$3.0 billion compared to \$2.9 billion in the second quarter of 2014. This reflects strong participating life insurance sales, higher individual investment funds sales and higher creditor sales, partially offset by lower group retirement product sales. Total sales for the six months ended June 30, 2015 were \$6.2 billion compared to \$6.1 billion for the same period in 2014.

Total Canada segment assets under administration at June 30, 2015 were \$166 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 record-keeping 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 second quarter of 2015 were \$67 million, reflecting Great-West Financial net earnings of \$70 million and a net loss of \$3 million for Putnam, compared to \$69 million in the second quarter of 2014. For the six months ended June 30, 2015, net earnings attributable to common shareholders were \$188 million compared to \$110 million for the same period in 2014.

Great-West Financial sales in the second quarter of 2015 were US\$7.8 billion, up from US\$2.2 billion in the second quarter of 2014, primarily due to an increased number of large plan sales in Empower Retirement. Sales for the six months ended June 30, 2015 were US\$15.8 billion compared to US\$5.1 billion in 2014.

Putnam in-quarter average assets under management as at June 30, 2015 were US\$160 billion compared to US\$155 billion a year ago, an increase of over 3%, primarily due to the impact of positive market and investment performance. Net asset outflows for the second quarter of 2015 were US\$1.8 billion compared to net asset inflows of US\$0.2 billion for the same quarter in 2014.

Total United States segment assets under administration at June 30, 2015 were \$760 billion compared to \$697 billion at December 31, 2014.

EUROPE

The Europe segment comprises two distinct business units: Insurance & Annuities and Reinsurance, as well as 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 2015 were \$289 million, up 17% compared to \$246 million in the second quarter of 2014. For the six months ended June 30, 2015, net earnings attributable to common shareholders were \$575 million compared to \$505 million for the same period in 2014.

Insurance & Annuities sales for the second quarter of 2015 were \$3.4 billion, compared to \$2.8 billion a year ago, an increase of 21%. The increase primarily reflects strong sales in Ireland and Germany. Sales for the six months ended June 30, 2015 were \$7.9 billion compared to \$6.3 billion for the same period in 2014.

Total Europe segment assets under administration at June 30, 2015 were \$222 billion, up from \$205 billion at December 31, 2014.

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 \$5 million in the second quarter of 2015 compared to a net loss of \$4 million in the second quarter of 2014. For the six months ended June 30, 2015, the net loss attributable to common shareholders of \$11 million was comparable to the same period in 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 September 30, 2015 to shareholders of record at the close of business September 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 September 30, 2015 to shareholders of record at the close of business September 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 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 \$1.1 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 second quarter conference call and audio webcast will be held August 6, 2015 at 11:30 a.m. (ET). The call and webcast can be accessed through www.greatwestlifeco.com or by phone at:

- Participants in the Toronto area: 416-340-2218
- Participants from North America: 1-800-396-7098
- For International participants: Look up the dial-in information for your location here:
<https://www.confsolutions.ca/ILT?oss=1P49R8003967098>

A replay of the call will be available from August 6, 2015 to August 13, 2015, and can be accessed by calling 1-800-408-3053 or 905-694-9451 in Toronto (passcode: 1428889). The archived webcast will be available on www.greatwestlifeco.com from August 6, 2015 to August 5, 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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Assistant Vice-President, Communication Services
204-946-7705

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 2015	March 31 2015	June 30 2014 ⁽²⁾⁽⁴⁾	June 30 2015	June 30 2014 ⁽²⁾⁽⁴⁾
Premiums and deposits:					
Net premium income (Life insurance, guaranteed annuities and insured health products)	\$ 5,516	\$ 6,932	\$ 5,764	\$ 12,448	\$ 11,031
Policyholder deposits (segregated funds):					
Individual products	3,031	2,981	2,830	6,012	5,776
Group products	1,835	2,035	1,940	3,870	5,304
Premiums and deposits	10,382	11,948	10,534	22,330	22,111
Self-funded premium equivalents (Administrative services only contracts) ⁽¹⁾	659	662	658	1,321	1,316
Proprietary mutual funds and institutional deposits ⁽¹⁾⁽²⁾	11,032	12,938	9,592	23,970	21,887
Total premiums and deposits⁽¹⁾	22,073	25,548	20,784	47,621	45,314
Fee and other income	1,226	1,258	1,110	2,484	2,169
Paid or credited to policyholders⁽³⁾	1,588	9,889	7,580	11,477	15,069
Earnings					
Net earnings - common shareholders	\$ 659	\$ 700	\$ 615	\$ 1,359	\$ 1,202
Per common share					
Basic earnings	0.661	0.702	0.616	1.363	1.203
Dividends paid	0.3260	0.3260	0.3075	0.652	0.615
Book value ⁽⁴⁾	18.28	17.68	15.87		
Return on common shareholders' equity⁽⁴⁾⁽⁵⁾					
Operating earnings ⁽⁶⁾	15.7%	16.0%	14.5%		
Net earnings	15.7%	16.0%	16.0%		
Total assets⁽⁴⁾	\$ 376,428	\$ 381,331	\$ 344,351		
Proprietary mutual funds and institutional net assets ⁽⁷⁾	232,168	238,650	200,113		
Total assets under management⁽⁴⁾⁽⁷⁾	608,596	619,981	544,464		
Other assets under administration ⁽⁸⁾	539,259	556,893	260,079		
Total assets under administration⁽⁴⁾	\$ 1,147,855	\$ 1,176,874	\$ 804,543		
Total equity⁽⁴⁾	\$ 23,470	\$ 22,888	\$ 20,951		

⁽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 across the Company's business units.

⁽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 interim unaudited financial statements for the period ended June 30, 2015.

⁽⁵⁾ Return on shareholders' equity is detailed within the "Capital Allocation Methodology" section of the Company's June 30, 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 consolidated annual audited 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) includes 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 includes 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.

GREAT-WEST LIFECO INC.

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

	For the three months ended			For the six months ended	
	June 30 2015	March 31 2015	June 30 2014	June 30 2015	June 30 2014
Income					
Premium income					
Gross premiums written	\$ 6,410	\$ 7,806	\$ 6,646	\$ 14,216	\$ 12,757
Ceded premiums	(894)	(874)	(882)	(1,768)	(1,726)
Total net premiums	5,516	6,932	5,764	12,448	11,031
Net investment income					
Regular net investment income	1,519	1,536	1,526	3,055	3,015
Changes in fair value through profit or loss	(4,037)	2,953	1,670	(1,084)	3,792
Total net investment income	(2,518)	4,489	3,196	1,971	6,807
Fee and other income	1,226	1,258	1,110	2,484	2,169
	4,224	12,679	10,070	16,903	20,007
Benefits and expenses					
Policyholder benefits					
Insurance and investment contracts					
Gross	5,127	5,640	4,592	10,767	9,393
Ceded	(490)	(483)	(476)	(973)	(951)
Total net policyholder benefits	4,637	5,157	4,116	9,794	8,442
Policyholder dividends and experience refunds	374	381	358	755	746
Changes in insurance and investment contract liabilities	(3,423)	4,351	3,106	928	5,881
Total paid or credited to policyholders	1,588	9,889	7,580	11,477	15,069
Commissions	554	515	546	1,069	1,051
Operating and administrative expenses	1,081	1,078	915	2,159	1,848
Premium taxes	80	84	83	164	168
Financing charges	75	77	76	152	152
Amortization of finite life intangible assets	37	36	32	73	65
Restructuring and acquisition expenses	14	7	10	21	15
Earnings before income taxes	795	993	828	1,788	1,639
Income taxes	86	224	156	310	329
Net earnings before non-controlling interests	709	769	672	1,478	1,310
Attributable to non-controlling interests	19	37	28	56	50
Net earnings	690	732	644	1,422	1,260
Preferred share dividends	31	32	29	63	58
Net earnings - common shareholders	\$ 659	\$ 700	\$ 615	\$ 1,359	\$ 1,202
Earnings per common share					
Basic	\$ 0.661	\$ 0.702	\$ 0.616	\$ 1.363	\$ 1.203
Diluted	\$ 0.659	\$ 0.700	\$ 0.615	\$ 1.359	\$ 1.202

GREAT-WEST
LIFECO INC.

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

	June 30	December 31
	2015	2014
Assets		
Cash and cash equivalents	\$ 2,688	\$ 2,498
Bonds	108,452	103,168
Mortgage loans	21,104	20,546
Stocks	7,826	7,820
Investment properties	5,220	4,613
Loans to policyholders	8,221	7,711
	153,511	146,356
Funds held by ceding insurers	14,050	12,154
Goodwill	5,865	5,855
Intangible assets	3,768	3,625
Derivative financial instruments	466	652
Owner occupied properties	629	619
Fixed assets	255	228
Reinsurance assets	5,139	5,151
Premiums in course of collection, accounts and interest receivable	3,444	3,056
Other assets	2,662	2,368
Current income taxes	69	48
Deferred tax assets	1,735	1,631
Investments on account of segregated fund policyholders	184,835	174,966
Total assets	\$ 376,428	\$ 356,709
Liabilities		
Insurance contract liabilities	\$ 152,315	\$ 145,198
Investment contract liabilities	842	857
Debentures and other debt instruments	5,265	5,355
Funds held under reinsurance contracts	328	313
Derivative financial instruments	1,678	1,195
Accounts payable	2,061	1,480
Other liabilities	3,326	3,099
Current income taxes	537	737
Deferred tax liabilities	1,609	1,450
Capital trust debentures	162	162
Investment and insurance contracts on account of segregated fund policyholders	184,835	174,966
Total liabilities	352,958	334,812
Equity		
Non-controlling interests		
Participating account surplus in subsidiaries	2,547	2,480
Non-controlling interests in subsidiaries	185	163
Shareholders' equity		
Share capital		
Preferred shares	2,514	2,514
Common shares	7,166	7,102
Accumulated surplus	9,779	9,134
Accumulated other comprehensive income	1,170	378
Contributed surplus	109	126
Total equity	23,470	21,897
Total liabilities and equity	\$ 376,428	\$ 356,709

Segmented Information *(unaudited)*

Consolidated Net Earnings

For the three months ended June 30, 2015

	Canada	United States	Europe	Lifeco Corporate	Total
Income					
Total net premiums	\$ 2,839	\$ 905	\$ 1,772	\$ —	\$ 5,516
Net investment income					
Regular net investment income	630	390	498	1	1,519
Changes in fair value through profit or loss	(1,181)	(566)	(2,290)	—	(4,037)
Total net investment income	(551)	(176)	(1,792)	1	(2,518)
Fee and other income	366	577	283	—	1,226
	<u>2,654</u>	<u>1,306</u>	<u>263</u>	<u>1</u>	<u>4,224</u>
Benefits and expenses					
Paid or credited to policyholders	1,460	543	(415)	—	1,588
Other ⁽¹⁾	775	614	322	4	1,715
Financing charges	29	35	10	1	75
Amortization of finite life intangible assets	15	18	4	—	37
Restructuring and acquisition expenses	—	3	11	—	14
Earnings (loss) before income taxes	<u>375</u>	<u>93</u>	<u>331</u>	<u>(4)</u>	<u>795</u>
Income taxes (recovery)	47	22	18	(1)	86
Net earnings (loss) before non-controlling interests	<u>328</u>	<u>71</u>	<u>313</u>	<u>(3)</u>	<u>709</u>
Non-controlling interests	16	2	1	—	19
Net earnings (loss)	<u>312</u>	<u>69</u>	<u>312</u>	<u>(3)</u>	<u>690</u>
Preferred share dividends	26	—	5	—	31
Net earnings (loss) before capital allocation	<u>286</u>	<u>69</u>	<u>307</u>	<u>(3)</u>	<u>659</u>
Impact of capital allocation	22	(2)	(18)	(2)	—
Net earnings (loss) - common shareholders	<u>\$ 308</u>	<u>\$ 67</u>	<u>\$ 289</u>	<u>\$ (5)</u>	<u>\$ 659</u>

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

GREAT-WEST
LIFECO_{INC.}

For the three months ended June 30, 2014

	Canada	United States	Europe	Lifeco Corporate	Total
Income					
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
	<u>4,555</u>	<u>1,922</u>	<u>3,591</u>	<u>2</u>	<u>10,070</u>
Benefits and expenses					
Paid or credited to policyholders	3,367	1,295	2,918	—	7,580
Other ⁽¹⁾	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
Earnings (loss) before income taxes	418	100	314	(4)	828
Income taxes (recovery)	90	25	42	(1)	156
Net earnings (loss) before non-controlling interests	328	75	272	(3)	672
Non-controlling interests	24	2	2	—	28
Net earnings (loss)	304	73	270	(3)	644
Preferred share dividends	24	—	5	—	29
Net earnings (loss) before capital allocation	280	73	265	(3)	615
Impact of capital allocation	24	(4)	(19)	(1)	—
Net earnings (loss) - common shareholders	<u>\$ 304</u>	<u>\$ 69</u>	<u>\$ 246</u>	<u>\$ (4)</u>	<u>\$ 615</u>

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

GREAT-WEST
LIFECO INC.

For the six months ended June 30, 2015

	Canada	United States	Europe	Lifeco Corporate	Total
Income					
Total net premiums	\$ 5,506	\$ 1,634	\$ 5,308	\$ —	\$ 12,448
Net investment income					
Regular net investment income	1,259	785	1,011	—	3,055
Changes in fair value through profit or loss	195	(334)	(945)	—	(1,084)
Total net investment income	1,454	451	66	—	1,971
Fee and other income	724	1,150	610	—	2,484
	7,684	3,235	5,984	—	16,903
Benefits and expenses					
Paid or credited to policyholders	5,225	1,664	4,588	—	11,477
Other ⁽¹⁾	1,538	1,200	646	8	3,392
Financing charges	58	71	22	1	152
Amortization of finite life intangible assets	29	35	9	—	73
Restructuring and acquisition expenses	—	4	17	—	21
Earnings (loss) before income taxes	834	261	702	(9)	1,788
Income taxes (recovery)	170	66	76	(2)	310
Net earnings (loss) before non-controlling interests	664	195	626	(7)	1,478
Non-controlling interests	49	4	3	—	56
Net earnings (loss)	615	191	623	(7)	1,422
Preferred share dividends	52	—	11	—	63
Net earnings (loss) before capital allocation	563	191	612	(7)	1,359
Impact of capital allocation	44	(3)	(37)	(4)	—
Net earnings (loss) - common shareholders	\$ 607	\$ 188	\$ 575	\$ (11)	\$ 1,359

⁽¹⁾ 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
Income					
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>
Benefits and expenses					
Paid or credited to policyholders	6,732	2,593	5,744	—	15,069
Other ⁽¹⁾	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
Earnings (loss) before income taxes	838	169	644	(12)	1,639
Income taxes (recovery)	195	48	89	(3)	329
Net earnings (loss) before non-controlling interests	643	121	555	(9)	1,310
Non-controlling interests	46	3	1	—	50
Net earnings (loss)	597	118	554	(9)	1,260
Preferred share dividends	47	—	11	—	58
Net earnings (loss) before capital allocation	550	118	543	(9)	1,202
Impact of capital allocation	48	(8)	(38)	(2)	—
Net earnings (loss) - common shareholders	<u>\$ 598</u>	<u>\$ 110</u>	<u>\$ 505</u>	<u>\$ (11)</u>	<u>\$ 1,202</u>

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