

TSX:GWO

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 2016 results

*Toronto, August 3, 2016 ...* Great-West Lifeco Inc. (Lifeco or the Company) has reported net earnings attributable to common shareholders of \$671 million or \$0.675 per common share for the three months ended June 30, 2016 compared to \$659 million or \$0.661 per common share for the same period in 2015. Net earnings attributable to common shareholders in the second quarter of 2016 increased \$51 million or 8% as compared to the previous quarter.

For the six months ended June 30, 2016, net earnings attributable to common shareholders were \$1,291 million, compared to \$1,359 million for the same period in 2015. This represents \$1.300 per common share for the six months ended June 30, 2016, compared to \$1.363 per common share for the same period in 2015.

Consolidated assets under administration at June 30, 2016 were approximately \$1.2 trillion, a decrease of \$28.7 billion from December 31, 2015.

### Highlights – In Quarter

- Lifeco premiums and deposits in the second quarter of 2016 of \$28.2 billion were up 28% from the same quarter in 2015:
  - Canada premiums and deposits were \$5.9 billion, comparable to the same quarter last year, primarily due to strong Group and Individual Insurance premium growth, offset by lower Wealth Management deposits.
  - Europe premiums and deposits were \$8.3 billion, up 60%, primarily due to higher fund management sales in Ireland.
  - Great-West Financial premiums and deposits were US\$2.6 billion, up 27%, primarily as a result of higher deposits into Empower Retirement investment products from sales.
- Lifeco sales in the second quarter of 2016 of \$24.9 billion were up 1% compared to the same quarter in 2015.
- Lifeco maintained a strong ROE of 14.0%.
- Lifeco's capital position remained very strong. The Great-West Life Assurance Company reported a Minimum Continuing Capital Surplus Requirements (MCCSR) ratio of 232% at June 30, 2016.
- Lifeco declared a quarterly common dividend of \$0.3460 per common share payable September 30, 2016.
- Lifeco, through its subsidiary Irish Life Group Limited (Irish Life), has completed its previously announced transactions to acquire Aviva Health Insurance Ireland Limited (Aviva Health) and assume control of GloHealth Financial Services Limited (GloHealth). Aviva Health and GloHealth will combine to become one of the leading providers in the Irish health insurance market.

### 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. For reporting purposes, the consolidated operating results are grouped into four reportable segments - Canada, United States, Europe and Lifeco Corporate - reflecting geographic lines as well as the management and corporate structure of the companies.

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## CANADA

Net earnings attributable to common shareholders for the second quarter of 2016 were \$327 million compared to \$308 million in the second quarter of 2015. For the six months ended June 30, 2016, net earnings attributable to common shareholders were \$603 million compared to \$607 million for the same period in 2015.

Total sales in the second quarter of 2016 of \$2.7 billion were down from \$3.0 billion in the second quarter of 2015, as a result of lower Wealth Management sales, consistent with a decline in industry asset cash flows for segregated funds and mutual funds. Individual Insurance sales were up 12% while Group Insurance sales were comparable to the prior year. Total sales for the six months ended June 30, 2016 were \$5.9 billion compared to \$6.2 billion for the same period in 2015.

Total Canada segment assets under administration at June 30, 2016 were \$171 billion compared to \$166 billion at December 31, 2015.

## UNITED STATES

Net earnings attributable to common shareholders for the second quarter of 2016 were \$53 million, reflecting Great-West Financial net earnings of \$71 million and a net loss of \$18 million for Putnam, compared to net earnings of \$67 million in the second quarter of 2015. For the six months ended June 30, 2016, net earnings attributable to common shareholders were \$116 million compared to \$188 million for the same period in 2015.

Great-West Financial sales in the second quarter of 2016 were US\$4.7 billion, down from US\$7.8 billion in the second quarter of 2015, primarily due to lower Empower Retirement large plan sales. Sales for the six months ended June 30, 2016 were US\$25.0 billion compared to US\$15.8 billion in 2015.

Putnam assets under management as at June 30, 2016 were US\$147.7 billion compared to US\$156.3 billion at June 30, 2015, a decrease of 6%, primarily due to net asset outflows and lower market levels. Net asset outflows for the second quarter of 2016 were US\$0.7 billion compared to US\$1.8 billion for the same quarter in 2015. In-quarter institutional net asset inflows of US\$1.7 billion were more than offset by mutual fund net asset outflows of US\$2.4 billion.

Total United States segment assets under administration at June 30, 2016 were \$786 billion compared to \$808 billion at December 31, 2015.

## EUROPE

On June 23, 2016, the U.K. voted to leave the European Union. The Company has undertaken an in-depth analysis of the potential risks to the Company's businesses, and notwithstanding the uncertainty and increased market volatility, the businesses are resilient and the Company maintains significant financial flexibility. The Company's operations in Europe have strong, stable businesses and a diversified investment portfolio. These businesses are appropriately capitalized and the Company remains committed to these markets. Customer needs for insurance, wealth and annuity products remain as before and the Company is well placed to continue to serve these customers.

Net earnings attributable to common shareholders for the second quarter of 2016 were \$293 million compared to \$289 million in the second quarter of 2015. For the six months ended June 30, 2016, net earnings attributable to common shareholders were \$580 million compared to \$575 million for the same period in 2015.

Insurance & Annuities sales for the second quarter of 2016 were \$5.6 billion, compared to \$3.4 billion a year ago, an increase of 63%. The increase primarily reflects continued strong fund management sales in Ireland and higher sales of payout annuities in the U.K. Sales for the six months ended June 30, 2016 were \$10.1 billion compared to \$7.9 billion for the same period in 2015.

Total Europe segment assets under administration at June 30, 2016 were \$227 billion compared to \$238 billion at December 31, 2015.

## LIFECO CORPORATE

Lifeco Corporate segment's net loss attributable to common shareholders was \$2 million in the second quarter of 2016 compared to a net loss of \$5 million in the second quarter of 2015. For the six months ended June 30, 2016, the net loss of \$8 million was comparable to a net loss of \$11 million for the same period in 2015.

## QUARTERLY DIVIDENDS

At its meeting today, the Board of Directors approved a quarterly dividend of \$0.3460 per share on the common shares of Lifeco payable September 30, 2016 to shareholders of record at the close of business September 2, 2016.

In addition, the Directors approved quarterly dividends on Lifeco's preferred shares, as follows:

<b>First Preferred Shares</b>	<b>Record Date</b>	<b>Payment Date</b>	<b>Amount, per share</b>
Series F	September 2, 2016	September 30, 2016	\$0.36875
Series G	September 2, 2016	September 30, 2016	\$0.3250
Series H	September 2, 2016	September 30, 2016	\$0.30313
Series I	September 2, 2016	September 30, 2016	\$0.28125
Series L	September 2, 2016	September 30, 2016	\$0.353125
Series M	September 2, 2016	September 30, 2016	\$0.3625
Series N	September 2, 2016	September 30, 2016	\$0.1360
Series O	September 2, 2016	September 30, 2016	\$0.116638
Series P	September 2, 2016	September 30, 2016	\$0.3375
Series Q	September 2, 2016	September 30, 2016	\$0.321875
Series R	September 2, 2016	September 30, 2016	\$0.3000
Series S	September 2, 2016	September 30, 2016	\$0.328125

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. 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. Lifeco and its companies have approximately \$1.2 trillion in consolidated assets under administration and are members of the Power Financial Corporation group of companies. To learn more, visit [www.greatwestlifeco.com](http://www.greatwestlifeco.com).

### Basis of presentation

The consolidated financial statements of Lifeco have been prepared in accordance with International Financial Reporting Standards (IFRS) and are the basis for the figures presented in this release, unless otherwise noted.

### Cautionary note regarding Forward-Looking Information

This release may contain forward-looking statements. 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 other similar expressions or negative versions thereof. These statements may include, without limitation, statements about Lifeco's operations, business, financial condition, expected financial performance (including revenues, earnings or growth rates), ongoing business strategies or prospects, and possible future actions by Lifeco, including statements made with respect to the expected benefits of acquisitions and divestitures. Forward-looking statements are based on expectations, forecasts, predictions, projections and conclusions 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 Lifeco, economic factors and the financial services industry generally, including the insurance and mutual fund industries. They are not guarantees of future performance, and the reader is cautioned that 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 Lifeco's operations will continue substantially in their current state, including, without limitation, with respect to customer behaviour, Lifeco's reputation, market prices for products provided, sales levels, premium income, fee income, expense levels, mortality experience, morbidity experience, policy lapse rates, reinsurance arrangements, liquidity requirements, capital requirements, credit ratings, taxes, inflation, interest and foreign exchange rates, investment values, hedging activities, global equity and capital markets, business competition and other general economic, political and market factors in North America and internationally. Many of these assumptions are based on factors and events that are not within the control of Lifeco 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 customer responses to new products, impairments of goodwill and other intangible assets, Lifeco's ability to execute strategic plans and changes to strategic plans, technological changes, 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, catastrophic events, continuity and availability of personnel and third party service providers, Lifeco's ability to complete strategic transactions and integrate acquisitions and unplanned material changes to Lifeco's facilities, customer and employee relations or credit arrangements. 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 Lifeco's 2015 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](http://www.sedar.com). The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not to place undue reliance on forward-looking statements. Other than as specifically required by applicable law, Lifeco 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. Refer to the appropriate reconciliations of these non-IFRS financial measures to measures prescribed by IFRS.

Further information

Selected financial information is attached.

Lifeco's second quarter conference call and audio webcast will be held August 4, 2016 at 10:00 a.m. (ET). The call and webcast can be accessed through [www.greatwestlifeco.com](http://www.greatwestlifeco.com) or by phone at:

- Participants in the Toronto area: 416-340-2216
- Participants from North America: 1-866-223-7781
- For International participants: Look up the dial-in information for your location here: <https://www.confsoolutions.ca/ILT?oss=1P49R8662237781>

A replay of the call will be available from August 4, 2016 to August 11, 2016, and can be accessed by calling 1-800-408-3053 or 905-694-9451 in Toronto (passcode: 6396358#). The archived webcast will be available on [www.greatwestlifeco.com](http://www.greatwestlifeco.com) from August 4, 2016 to August 3, 2017.

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](http://www.sedar.com).

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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 2016	March 31 2016	June 30 2015	June 30 2016	June 30 2015
<b>Premiums and deposits:</b>					
Net premium income (Life insurance, guaranteed annuities and insured health products)	\$ 6,871	\$ 7,015	\$ 5,516	\$ 13,886	\$ 12,448
Policyholder deposits (segregated funds):					
Individual products	3,213	3,689	3,031	6,902	6,012
Group products	1,858	2,238	1,835	4,096	3,870
Self-funded premium equivalents (Administrative services only contracts) <sup>(1)</sup>	707	698	659	1,405	1,321
Proprietary mutual funds and institutional deposits <sup>(1)</sup>	15,522	16,354	11,032	31,876	23,970
<b>Total premiums and deposits<sup>(1)</sup></b>	<b>28,171</b>	<b>29,994</b>	<b>22,073</b>	<b>58,165</b>	<b>47,621</b>
<b>Fee and other income</b>	<b>1,231</b>	<b>1,254</b>	<b>1,226</b>	<b>2,485</b>	<b>2,484</b>
<b>Paid or credited to policyholders<sup>(2)</sup></b>	<b>10,035</b>	<b>9,678</b>	<b>1,588</b>	<b>19,713</b>	<b>11,477</b>
<b>Earnings</b>					
Net earnings - common shareholders	\$ 671	\$ 620	\$ 659	\$ 1,291	\$ 1,359
<b>Per common share</b>					
Basic earnings	0.675	0.625	0.661	1.300	1.363
Dividends paid	0.346	0.346	0.326	0.692	0.652
Book value	19.04	19.29	18.28		
<b>Return on common shareholders' equity<sup>(3)</sup></b>					
Net earnings	14.0%	14.0%	15.7%		
<b>Total assets</b>					
	\$ 390,251	\$ 390,245	\$ 376,428		
Proprietary mutual funds and institutional net assets <sup>(4)</sup>	243,688	237,984	232,168		
<b>Total assets under management<sup>(4)</sup></b>	<b>633,939</b>	<b>628,229</b>	<b>608,596</b>		
Other assets under administration <sup>(5)</sup>	549,878	558,290	539,259		
<b>Total assets under administration</b>	<b>\$ 1,183,817</b>	<b>\$ 1,186,519</b>	<b>\$ 1,147,855</b>		
<b>Total equity</b>	<b>\$ 24,201</b>	<b>\$ 24,531</b>	<b>\$ 23,470</b>		

<sup>(1)</sup> 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.

<sup>(2)</sup> Paid or credited to policyholders includes the impact of changes in fair values of assets supporting insurance contract liabilities.

<sup>(3)</sup> Return on common shareholders' equity is detailed within the "Capital Allocation Methodology" section of the Company's June 30, 2016 Management's Discussion and Analysis.

<sup>(4)</sup> 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.

<sup>(5)</sup> 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 2016	March 31 2016	June 30 2015	June 30 2016	June 30 2015
<b>Income</b>					
Premium income					
Gross premiums written	\$ 7,834	\$ 7,926	\$ 6,410	\$ 15,760	\$ 14,216
Ceded premiums	(963)	(911)	(894)	(1,874)	(1,768)
Total net premiums	<u>6,871</u>	<u>7,015</u>	<u>5,516</u>	<u>13,886</u>	<u>12,448</u>
Net investment income					
Regular net investment income	1,576	1,673	1,519	3,249	3,055
Changes in fair value through profit or loss	3,129	2,410	(4,037)	5,539	(1,084)
Total net investment income	<u>4,705</u>	<u>4,083</u>	<u>(2,518)</u>	<u>8,788</u>	<u>1,971</u>
Fee and other income	<u>1,231</u>	<u>1,254</u>	<u>1,226</u>	<u>2,485</u>	<u>2,484</u>
	<u>12,807</u>	<u>12,352</u>	<u>4,224</u>	<u>25,159</u>	<u>16,903</u>
<b>Benefits and expenses</b>					
Policyholder benefits					
Gross	6,143	6,642	5,127	12,785	10,767
Ceded	(501)	(472)	(490)	(973)	(973)
Total net policyholder benefits	<u>5,642</u>	<u>6,170</u>	<u>4,637</u>	<u>11,812</u>	<u>9,794</u>
Policyholder dividends and experience refunds	381	369	374	750	755
Changes in insurance and investment contract liabilities	4,012	3,139	(3,423)	7,151	928
Total paid or credited to policyholders	<u>10,035</u>	<u>9,678</u>	<u>1,588</u>	<u>19,713</u>	<u>11,477</u>
Commissions	599	566	554	1,165	1,069
Operating and administrative expenses	1,161	1,208	1,081	2,369	2,159
Premium taxes	98	92	80	190	164
Financing charges	75	78	75	153	152
Amortization of finite life intangible assets	44	46	37	90	73
Restructuring and acquisition expenses	5	4	14	9	21
<b>Earnings before income taxes</b>	<u>790</u>	<u>680</u>	<u>795</u>	<u>1,470</u>	<u>1,788</u>
Income taxes	76	24	86	100	310
<b>Net earnings before non-controlling interests</b>	<u>714</u>	<u>656</u>	<u>709</u>	<u>1,370</u>	<u>1,478</u>
Attributable to non-controlling interests	13	5	19	18	56
<b>Net earnings</b>	<u>701</u>	<u>651</u>	<u>690</u>	<u>1,352</u>	<u>1,422</u>
Preferred share dividends	30	31	31	61	63
<b>Net earnings - common shareholders</b>	<u>\$ 671</u>	<u>\$ 620</u>	<u>\$ 659</u>	<u>\$ 1,291</u>	<u>\$ 1,359</u>
<b>Earnings per common share</b>					
Basic	<u>\$ 0.675</u>	<u>\$ 0.625</u>	<u>\$ 0.661</u>	<u>\$ 1.300</u>	<u>\$ 1.363</u>
Diluted	<u>\$ 0.674</u>	<u>\$ 0.623</u>	<u>\$ 0.659</u>	<u>\$ 1.298</u>	<u>\$ 1.359</u>

# GREAT-WEST LIFECO INC.

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

	<b>June 30 2016</b>	<b>December 31 2015 <sup>(1)</sup></b>
<b>Assets</b>		
Cash and cash equivalents	\$ 3,068	\$ 2,813
Bonds	114,802	114,943
Mortgage loans	21,573	22,021
Stocks	8,390	7,873
Investment properties	4,377	5,237
Loans to policyholders	8,403	8,694
	<b>160,613</b>	161,581
Funds held by ceding insurers	12,418	15,512
Goodwill	5,885	5,913
Intangible assets	3,859	4,036
Derivative financial instruments	645	461
Owner occupied properties	633	653
Fixed assets	294	298
Other assets	2,460	2,643
Premiums in course of collection, accounts and interest receivable	3,844	3,553
Reinsurance assets	4,936	5,131
Current income taxes	115	69
Deferred tax assets	1,824	1,891
Investments on account of segregated fund policyholders	192,725	198,194
<b>Total assets</b>	<b>\$ 390,251</b>	<b>\$ 399,935</b>
<b>Liabilities</b>		
Insurance contract liabilities	\$ 155,633	\$ 158,492
Investment contract liabilities	2,076	2,253
Debentures and other debt instruments	5,204	5,395
Capital trust securities	161	161
Funds held under reinsurance contracts	313	356
Derivative financial instruments	2,087	2,624
Accounts payable	2,080	1,755
Other liabilities	3,788	3,367
Current income taxes	561	492
Deferred tax liabilities	1,422	1,586
Investment and insurance contracts on account of segregated fund policyholders	192,725	198,194
<b>Total liabilities</b>	<b>366,050</b>	374,675
<b>Equity</b>		
Non-controlling interests		
Participating account surplus in subsidiaries	2,626	2,611
Non-controlling interests in subsidiaries	192	195
Shareholders' equity		
Share capital		
Preferred shares	2,514	2,514
Common shares	7,156	7,156
Accumulated surplus	10,956	10,431
Accumulated other comprehensive income	632	2,218
Contributed surplus	125	135
<b>Total equity</b>	<b>24,201</b>	25,260
<b>Total liabilities and equity</b>	<b>\$ 390,251</b>	<b>\$ 399,935</b>

<sup>(1)</sup> Certain comparative figures have been reclassified as described in note 16 to the Company's June 30, 2016 condensed consolidated interim unaudited financial statements.



**Segmented Information** *(unaudited)*

**Consolidated Net Earnings**

For the three months ended June 30, 2016

	Canada	United States	Europe	Lifeco Corporate	Total
<b>Income</b>					
Total net premiums	\$ 2,896	\$ 1,267	\$ 2,708	\$ —	\$ 6,871
Net investment income					
Regular net investment income	665	420	487	4	1,576
Changes in fair value through profit or loss	940	526	1,663	—	3,129
Total net investment income	1,605	946	2,150	4	4,705
Fee and other income	369	555	307	—	1,231
	<u>4,870</u>	<u>2,768</u>	<u>5,165</u>	<u>4</u>	<u>12,807</u>
<b>Benefits and expenses</b>					
Paid or credited to policyholders	3,632	1,996	4,407	—	10,035
Other <sup>(1)</sup>	833	645	374	6	1,858
Financing charges	26	35	11	3	75
Amortization of finite life intangible assets	17	20	7	—	44
Restructuring and acquisition expenses	—	4	1	—	5
<b>Earnings (loss) before income taxes</b>	<u>362</u>	<u>68</u>	<u>365</u>	<u>(5)</u>	<u>790</u>
Income taxes (recovery)	23	12	46	(5)	76
<b>Net earnings (loss) before non-controlling interests</b>	<u>339</u>	<u>56</u>	<u>319</u>	<u>—</u>	<u>714</u>
Non-controlling interests	11	1	1	—	13
<b>Net earnings (loss)</b>	<u>328</u>	<u>55</u>	<u>318</u>	<u>—</u>	<u>701</u>
Preferred share dividends	26	—	4	—	30
<b>Net earnings (loss) before capital allocation</b>	<u>302</u>	<u>55</u>	<u>314</u>	<u>—</u>	<u>671</u>
Impact of capital allocation	25	(2)	(21)	(2)	—
<b>Net earnings (loss) - common shareholders</b>	<u>\$ 327</u>	<u>\$ 53</u>	<u>\$ 293</u>	<u>\$ (2)</u>	<u>\$ 671</u>

<sup>(1)</sup> Includes commissions, operating and administrative expenses and premium taxes.

# GREAT-WEST LIFECO<sub>INC.</sub>

*Segmented Information (unaudited) - Consolidated Net Earnings (cont'd)*

For the three months ended June 30, 2015

	Canada	United States	Europe	Lifeco Corporate	Total
<b>Income</b>					
Total net premiums	\$ 2,839	\$ 905	\$ 1,772	\$ —	\$ 5,516
<b>Net investment income</b>					
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>
<b>Benefits and expenses</b>					
Paid or credited to policyholders	1,460	543	(415)	—	1,588
Other <sup>(1)</sup>	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	375	93	331	(4)	795
Income taxes (recovery)	47	22	18	(1)	86
Net earnings (loss) before non-controlling interests	328	71	313	(3)	709
Non-controlling interests	16	2	1	—	19
Net earnings (loss)	312	69	312	(3)	690
Preferred share dividends	26	—	5	—	31
Net earnings (loss) before capital allocation	286	69	307	(3)	659
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>

<sup>(1)</sup> Includes commissions, operating and administrative expenses and premium taxes.

GREAT-WEST  
**LIFECO** INC.

Segmented Information (unaudited) - Consolidated Net Earnings (cont'd)

For the six months ended June 30, 2016

	Canada	United States	Europe	Lifeco Corporate	Total
<b>Income</b>					
Total net premiums	\$ 5,757	\$ 2,647	\$ 5,482	\$ —	\$ 13,886
Net investment income					
Regular net investment income	1,401	874	970	4	3,249
Changes in fair value through profit or loss	1,477	1,007	3,055	—	5,539
Total net investment income	2,878	1,881	4,025	4	8,788
Fee and other income	731	1,126	628	—	2,485
	<u>9,366</u>	<u>5,654</u>	<u>10,135</u>	<u>4</u>	<u>25,159</u>
<b>Benefits and expenses</b>					
Paid or credited to policyholders	6,933	4,108	8,672	—	19,713
Other <sup>(1)</sup>	1,650	1,331	733	10	3,724
Financing charges	55	72	23	3	153
Amortization of finite life intangible assets	33	42	15	—	90
Restructuring and acquisition expenses	—	7	2	—	9
<b>Earnings (loss) before income taxes</b>	<u>695</u>	<u>94</u>	<u>690</u>	<u>(9)</u>	<u>1,470</u>
Income taxes (recovery)	74	(28)	59	(5)	100
<b>Net earnings (loss) before non-controlling interests</b>	<u>621</u>	<u>122</u>	<u>631</u>	<u>(4)</u>	<u>1,370</u>
Non-controlling interests	16	2	—	—	18
<b>Net earnings (loss)</b>	<u>605</u>	<u>120</u>	<u>631</u>	<u>(4)</u>	<u>1,352</u>
Preferred share dividends	52	—	9	—	61
<b>Net earnings (loss) before capital allocation</b>	<u>553</u>	<u>120</u>	<u>622</u>	<u>(4)</u>	<u>1,291</u>
Impact of capital allocation	50	(4)	(42)	(4)	—
<b>Net earnings (loss) - common shareholders</b>	<u>\$ 603</u>	<u>\$ 116</u>	<u>\$ 580</u>	<u>\$ (8)</u>	<u>\$ 1,291</u>

<sup>(1)</sup> Includes commissions, operating and administrative expenses and premium taxes.

# GREAT-WEST LIFECO<sub>INC.</sub>

*Segmented Information (unaudited) - Consolidated Net Earnings (cont'd)*

For the six months ended June 30, 2015

	Canada	United States	Europe	Lifeco Corporate	Total
<b>Income</b>					
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
	<u>7,684</u>	<u>3,235</u>	<u>5,984</u>	<u>—</u>	<u>16,903</u>
<b>Benefits and expenses</b>					
Paid or credited to policyholders	5,225	1,664	4,588	—	11,477
Other <sup>(1)</sup>	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	<u>\$ 607</u>	<u>\$ 188</u>	<u>\$ 575</u>	<u>\$ (11)</u>	<u>\$ 1,359</u>

<sup>(1)</sup> Includes commissions, operating and administrative expenses and premium taxes.