

GREAT-WEST LIFECO INC.

THE
Great-West Life
ASSURANCE COMPANY



GREAT-WEST
FINANCIAL



Q1 2013

QUARTERLY INFORMATION

For Analysts and Investors



Cautionary Note regarding Forward-looking Information

This report 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 action by the Company, including statements made by the Company with respect to the expected benefits of acquisitions or divestitures, are also forward-looking statements. Forward-looking statements are based on current expectations and projections about future events 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 made by the Company due to, but not limited to, important factors such as sales levels, premium income, fee income, expense levels, mortality experience, morbidity experience, policy lapse rates, taxes, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, changes in accounting policies and the effect of applying future accounting changes including the adoption of IFRS, unexpected judicial or regulatory proceedings, catastrophic events, and the Company's ability to complete strategic transactions and integrate acquisitions. The reader is cautioned that the foregoing list of important factors is not exhaustive, and there may be other factors, including factors set out under "Risk Management and Control Practices" and "Summary of Critical Accounting Estimates", in the Company's 2012 Annual MD&A, and any listed in other filings with securities regulators, which are 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 report 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.



Overview

D. Allen Loney

President & Chief Executive Officer

Great-West Lifeco, Great-West Life, London Life, Canada Life

High quality earnings up sharply to \$517 million, \$0.544 per common share

- Operating earnings were \$517 million in the first quarter of 2013, up from \$449 million from one year ago
- Earnings per common share of \$0.544 in the quarter, a 15% increase from one year ago
- Maintained industry leading ROE of 16.8% on operating earnings

Sales up 23% for another quarter of robust growth

- Sales up a solid 23% from the first quarter 2012
 - Canada sales are up 13% over last year driven by strong growth in Wealth Management and Group Insurance sales
 - Great-West Financial Retirement Services sales were up 17% compared to Q1 2012
 - The sales of U.K. Payout Annuity were up 30% from first quarter 2012
 - Putnam sales were \$7.4 billion, up 30% from a year ago, and up 11% from last quarter, reflecting strong retail sales
- Premiums and Deposits (P&D) growth of 15%, pointing to solid sales and continued strong persistency
 - Canadian segment P&D up 6% from Q1 2012 driven by Wealth Management Group Pensions and Individual Life
 - European Insurance and Annuities P&D up 20% from Q1 2012

Financial and capital position is strong

- MCCR of 210% for Great-West Life Assurance Company
- Holding company cash at quarter end is approximately \$600 million, excluding the funding raised for Irish Life acquisition
- Common shareholder dividend was unchanged at \$0.3075 per share

Assets Under Administration of \$582 billion, up \$36 billion from year-end

- In-quarter growth in Assets Under Administration of \$36 billion or 7%, and 11% year-over-year reflecting strong sales and equity markets' growth
- Our investment portfolio continues to be of very high quality

Irish Life Acquisition Announcement

- On February 19, 2013 Lifeco signed an agreement with the Government of Ireland to acquire Irish Life Group (ILG) through its UK subsidiary, Canada Life Limited
- Canada Life will pay €1.3 billion (\$1.75 billion) for all of the shares of ILG
- This is an in-market acquisition that will transform the Company's business in Ireland into a market leader in the life insurance, pension and investment management sectors
- Irish Life has a strong brand with a broad product offering and wide, multi-channel distribution network. Irish Life employs a similar and consistent strategy to Lifeco in that it aims to maximize shareholder returns in a low risk and capital efficient manner
- Upon close, the life and pensions operations of Canada Life (Ireland) will be combined with the operations of Irish Life, retaining the Irish Life name



Irish Life Metrics Remain Positive as Integration Planning Well Advanced**Purchase
Price and
Implied
Metrics**

- **C\$1.75 billion (€1.3 billion)**
- **P/E 2014E: 8.2x⁽¹⁾**
- **P/BV (June 30, 2012) 1.3x**

**Transaction
Economics**

- **Anticipated pre-tax cost savings of €40 million (C\$54 million) annually**
- **Expected to add approximately C\$215 million or 10% to Great-West Lifeco's consensus earnings in 2014⁽¹⁾⁽²⁾**
- **Expected to be accretive to Great-West Lifeco earnings per share by 10 cents or approximately 4% in 2014E⁽¹⁾⁽²⁾**

**Regulatory
Capital Impact**

- **Targeting MCCR ratio above 210% at close⁽³⁾**

**Expected
Close and
Approvals**

- **Subject to customary regulatory approvals, including approvals from the European Commission under the EU Merger Regulation, and certain closing conditions**
- **July 2013**

1. Includes fully-realized after-tax run-rate cost savings, before integration costs.

2. Based on Institutional Brokers Estimate System (IBES) consensus earnings estimates.

3. Minimum Continuing Capital and Surplus Requirements for The Great-West Life Assurance Company.

Note: Assumes C\$:€ exchange rate of 1.34:1.00.





Irish Life Acquisition Financing Plan Complete

- On March 12, 2013, Lifeco completed common share issue in the form of subscription receipts in both public and private offerings with aggregate gross proceeds to Lifeco of approximately \$1.25 billion
- On April 18, 2013, the Company issued €500 million ten year bonds, at an annual coupon of 2.50%, which were rated A+ by Standard & Poor's
- Lifeco has now raised all of the funding required to complete the acquisition of the Irish Life Group and has hedged the related euro currency exposures associated with the €1.3 billion purchase price

Approvals Required to Close

- The transaction is subject to customary regulatory approvals which are being sought from a number of parties
 - EU Commission (Competition)
 - OSFI approval of the various acquisitions and reorganisations
 - Central Bank of Ireland
 - FSA (now split into the Prudential Regulatory Authority and the Financial Conduct Authority)
- These various approvals are progressing well

Quarter Overview – \$18 million Positive Impact of Market Conditions

(C\$MM)	Equity Markets	Interest Rates	Credit Markets	Currency
Net Earnings Impact Q1/13	 \$13	 \$0	 \$4	 \$1
	<ul style="list-style-type: none">▪ Higher than expected asset-based fee income▪ Decreased cost of guarantees	<ul style="list-style-type: none">▪ Not Material	<ul style="list-style-type: none">▪ Net recoveries of impaired investments of \$3▪ Net decrease in provisions for future credit losses in insurance contract liabilities \$1	<ul style="list-style-type: none">▪ Not Material

- Equity markets had a positive impact of \$13 million, and credit markets had a positive impact of \$4 million
- Interest rates and currency impacts were negligible for the quarter



Lifeco Summary of Results

William W. Lovatt

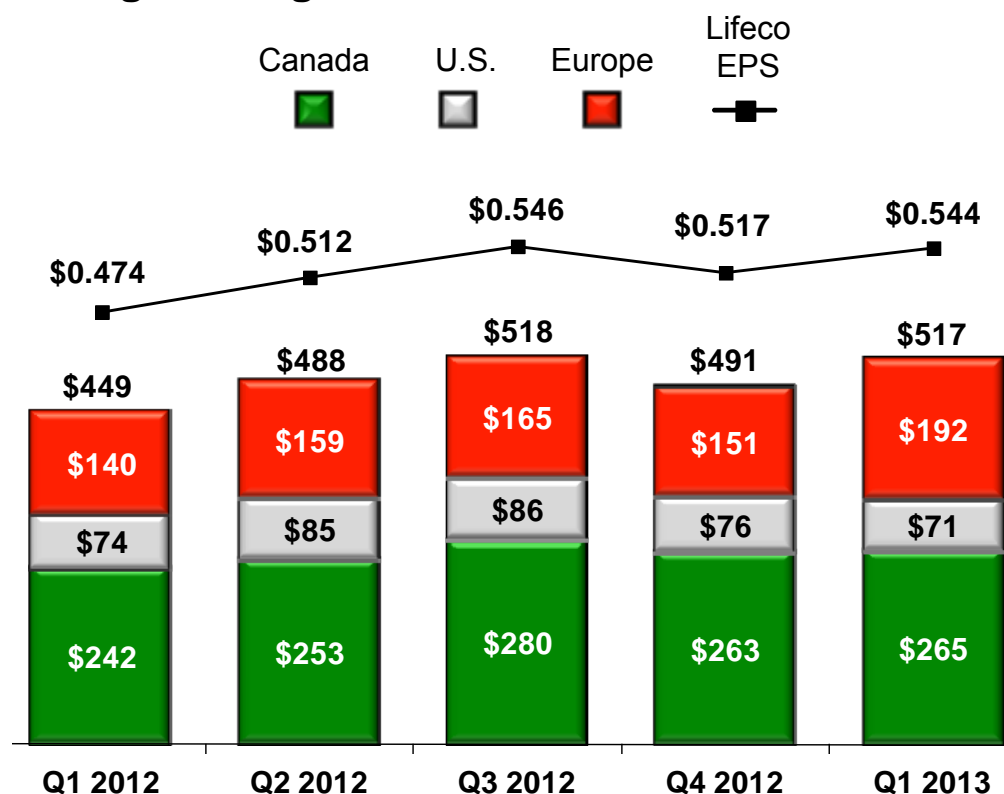
Executive Vice President & Chief Financial Officer

Great-West Lifeco

Great-West Lifeco Operating Earnings

(C\$MM)

Except earnings per share



Note: Consolidated totals include corporate earnings

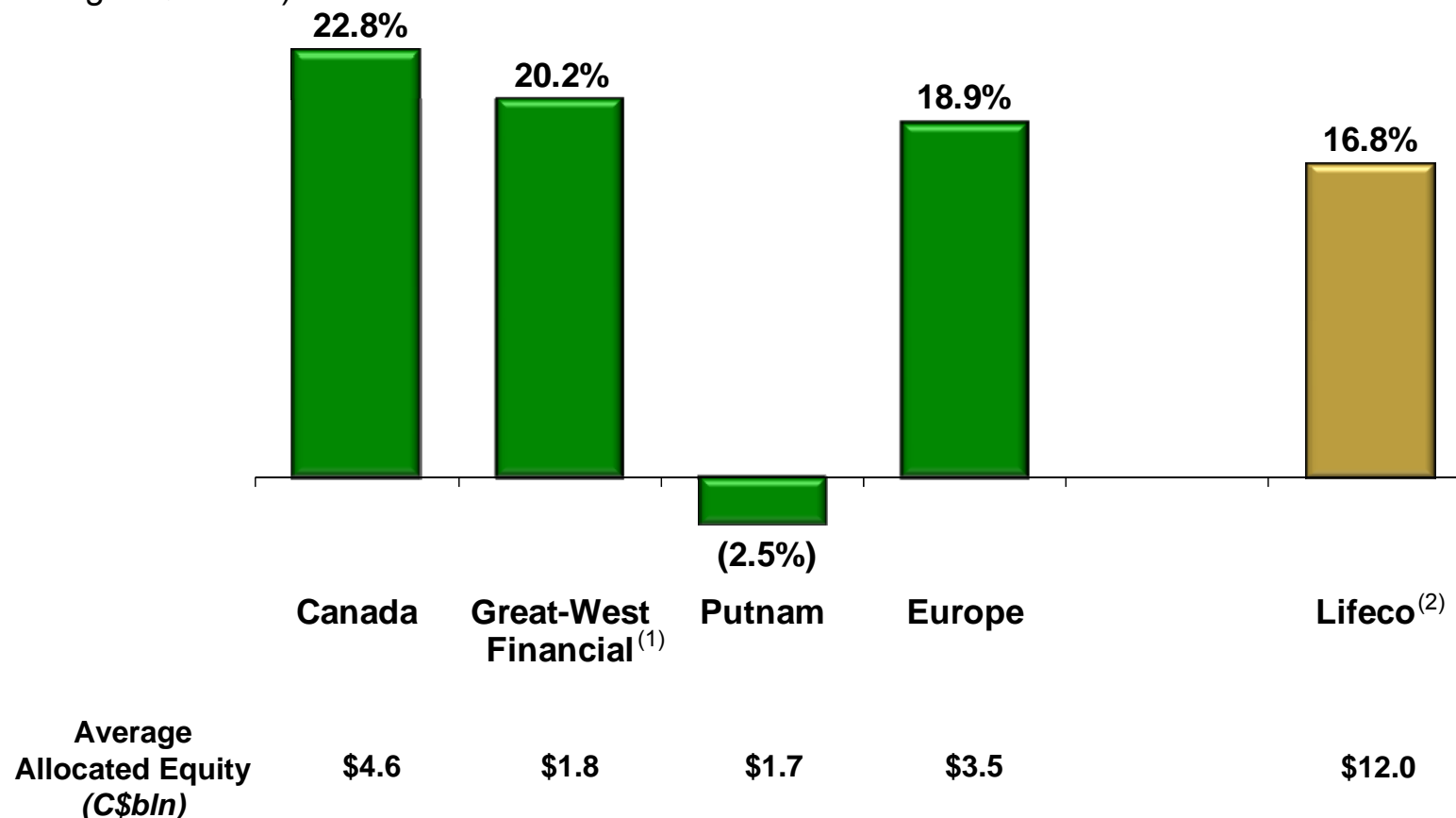
Constant Currency ⁽¹⁾

Operating Earnings	\$449	\$485	\$519	\$490	\$516
Operating Earnings per Share	\$0.474	\$0.510	\$0.546	\$0.516	\$0.542

1) Translated to Canadian dollars at Q1/12 FX rates (\$US = 1.00, £ = 1.57, € = 1.31)

Great-West Lifeco - Return on Equity - Operating Earnings

(Trailing 4 Quarters)



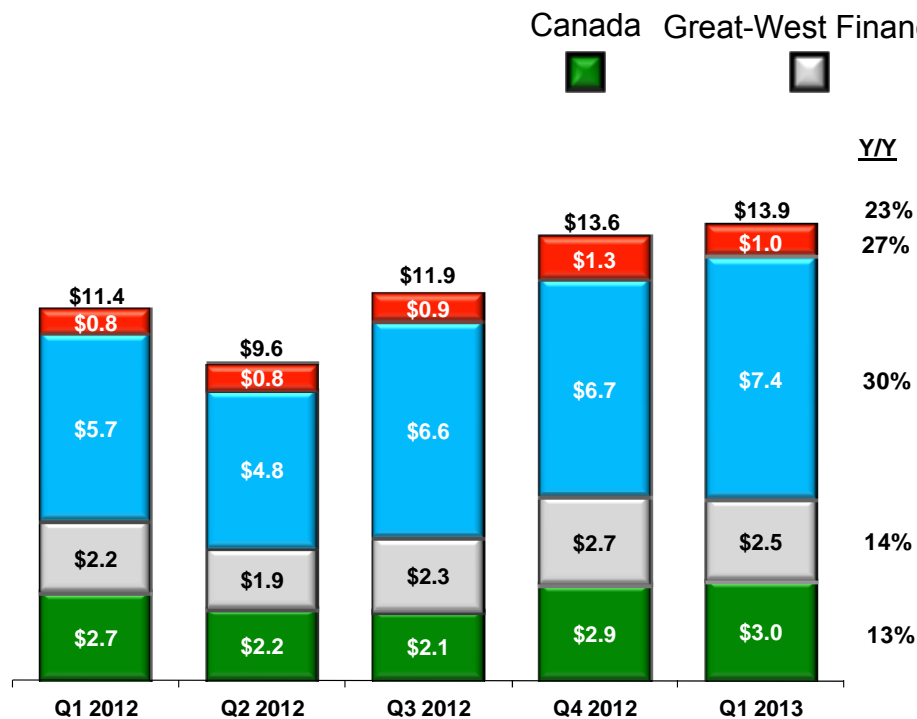
(1) Great-West Financial includes U.S. Corporate

(2) Lifeco Average Allocated Equity includes \$0.3 billion attributable Lifeco Corporate

Great-West Lifeco

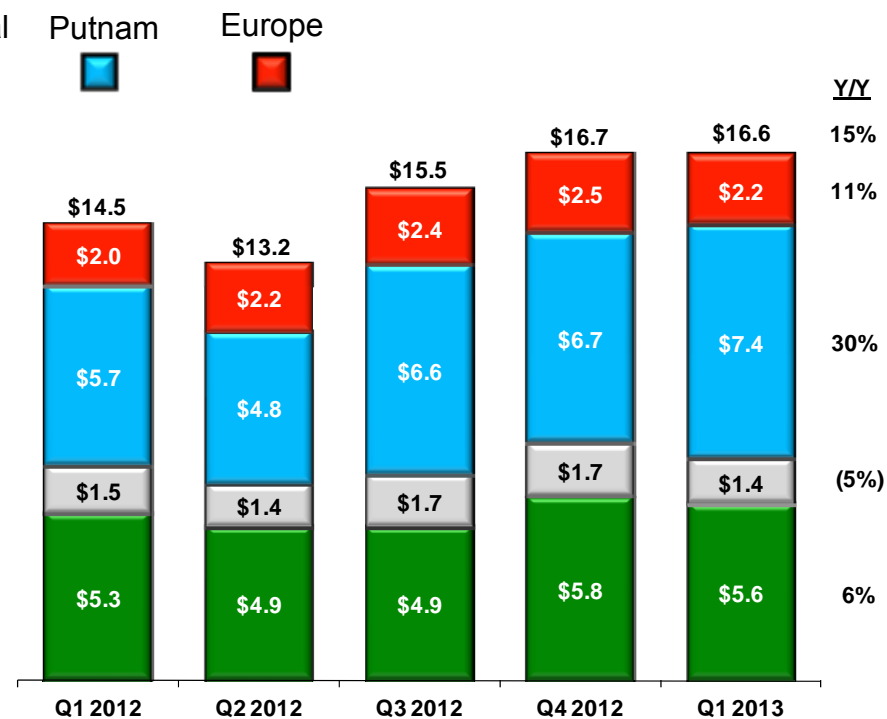
New Annualized Premiums (Sales)

(C\$bln)



Premiums & Deposits

(C\$bln)



Constant Currency

Y/Y

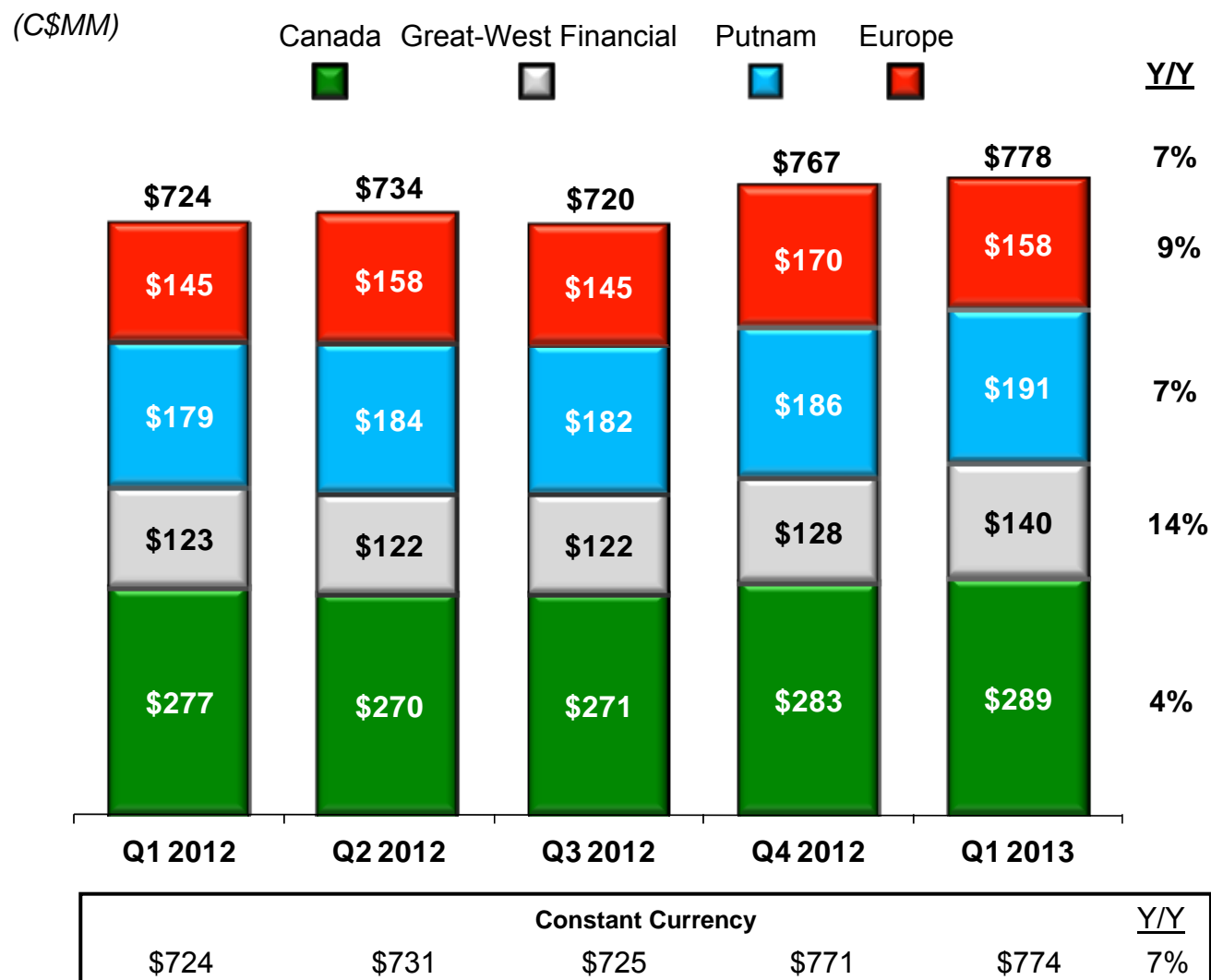
\$11.4 \$9.5 \$11.7 \$13.6 \$13.8 21%

Constant Currency

Y/Y

\$14.5 \$13.0 \$15.5 \$16.8 \$16.5 14%

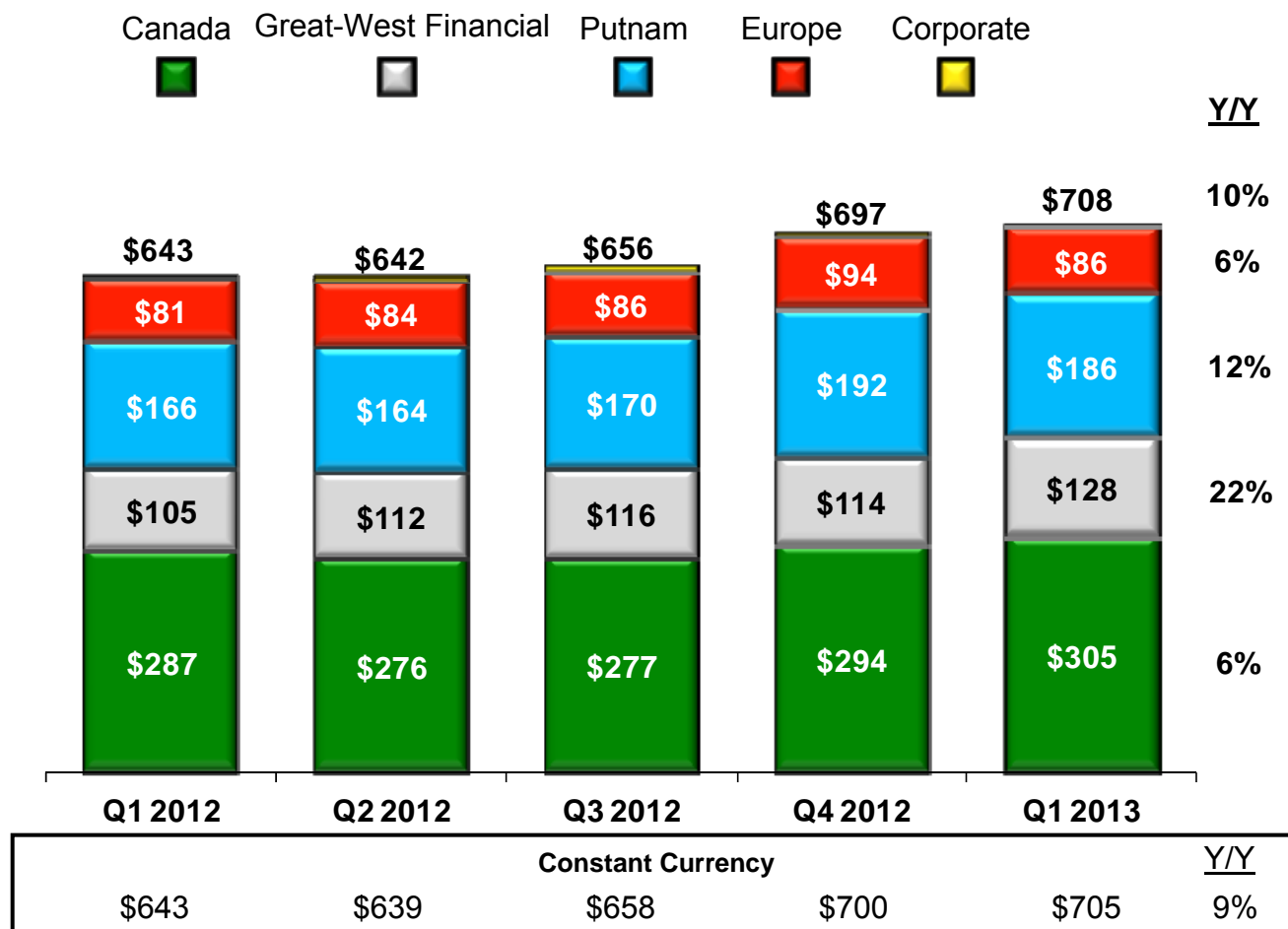
Great-West Lifeco – Fee Income



Note: Consolidated totals include corporate fee income

Great-West Lifeco – Operating Expenses

(C\$MM)



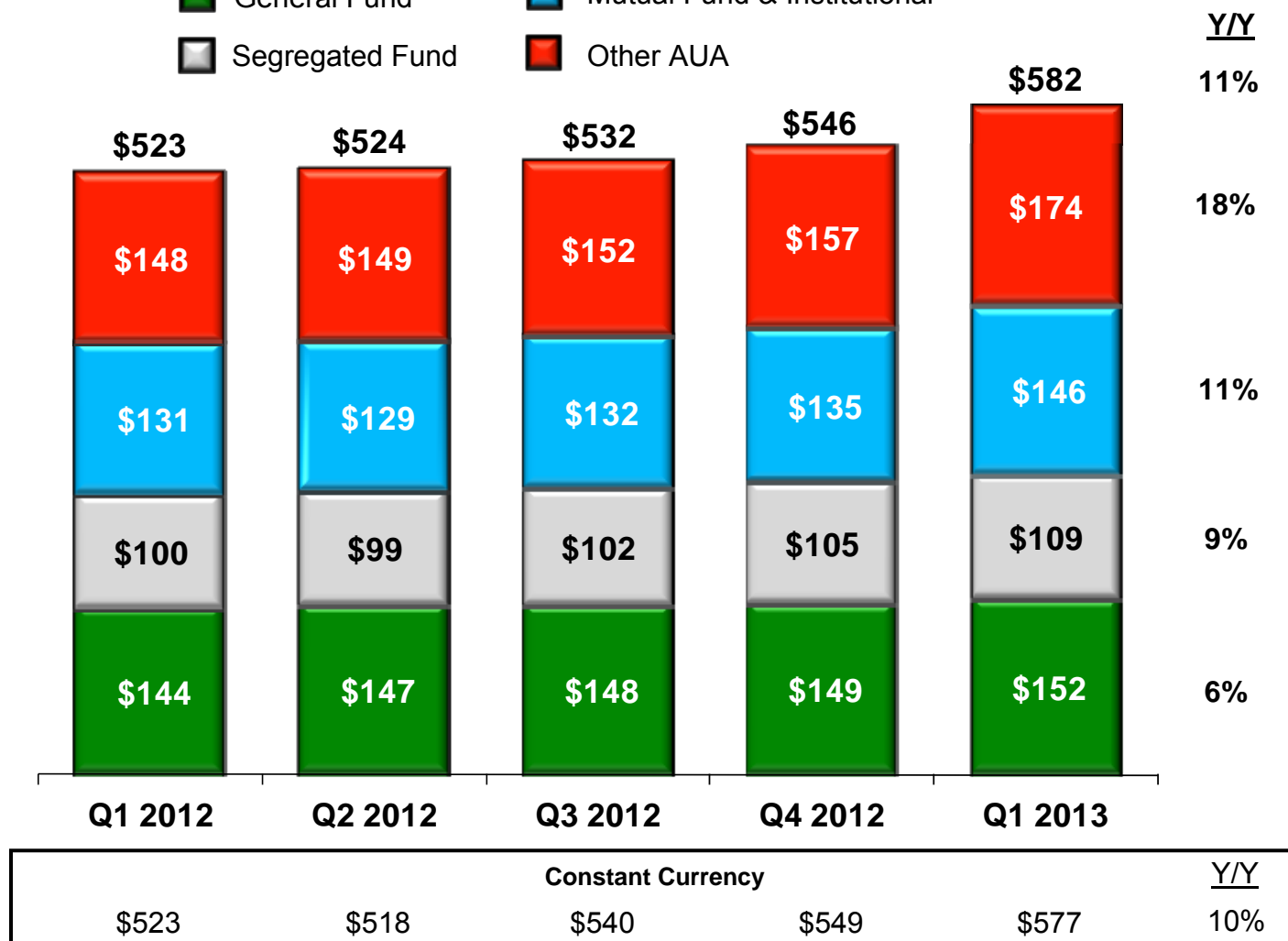
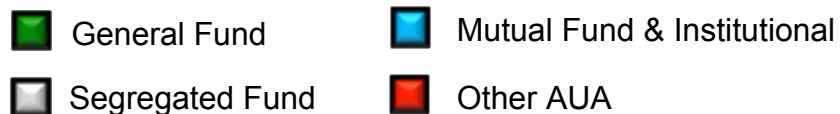
Note: Due to a reporting change, starting in Q1 2013 expenses include \$9.1M of 401k plan related costs. In prior quarters these expenses were netted within Fee Income.

Note: The expenses in Canada and Europe exclude \$23 million and \$11 million of respective provision releases related to the cost of acquiring Canada Life in 2003.

Note: Operating expenses exclude the impact of certain litigation provisions in Q4 2012

Great-West Lifeco – Total Assets under Administration

(C\$bln)





Invested Assets Update

Mark Corbett

Executive Vice President & Chief Investment Officer

Great-West Lifeco

In-Quarter Developments

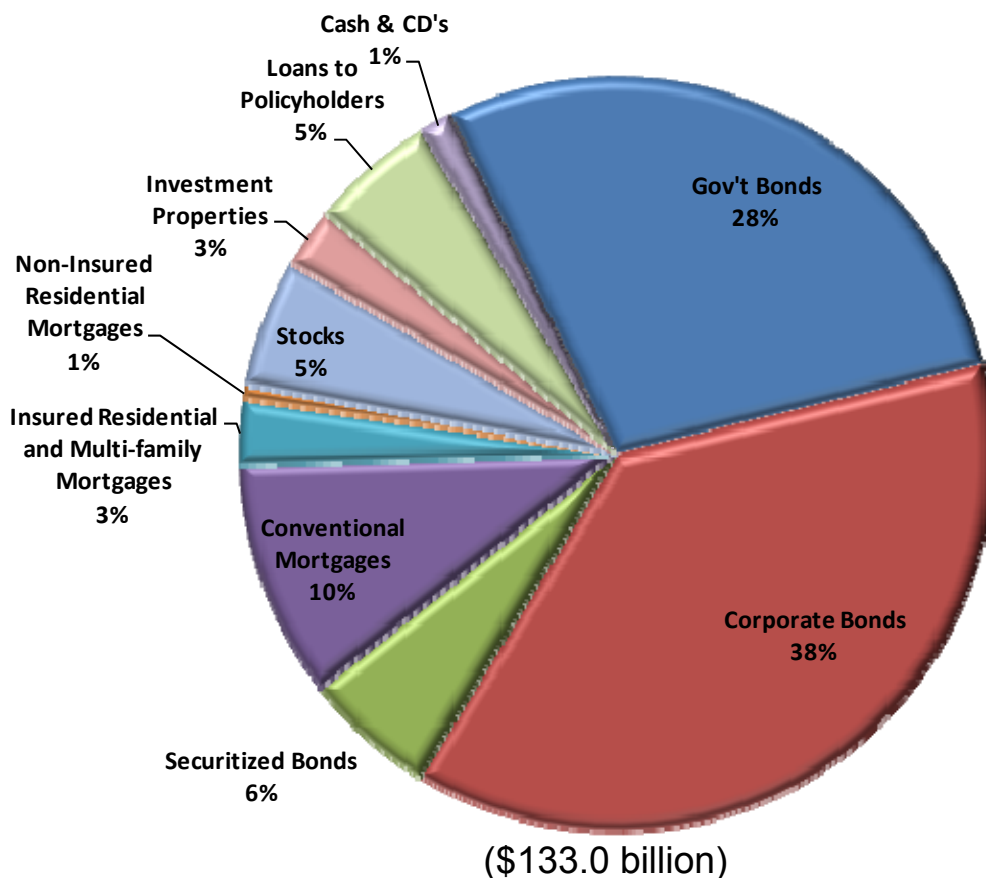
Credit Markets

- Credit experience in connection with impairments and rating changes was positive in the quarter

Total Credit Impact on Shareholders' Net Earnings

(\$ millions)	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Total 2012	Q1 2013
Credit (impairments) / recoveries	8	3	21	(5)	27	3
Credit (downgrades) / upgrades	5	(13)	(7)	(32)	(47)	1
Total Impact	13	(10)	14	(37)	(20)	4

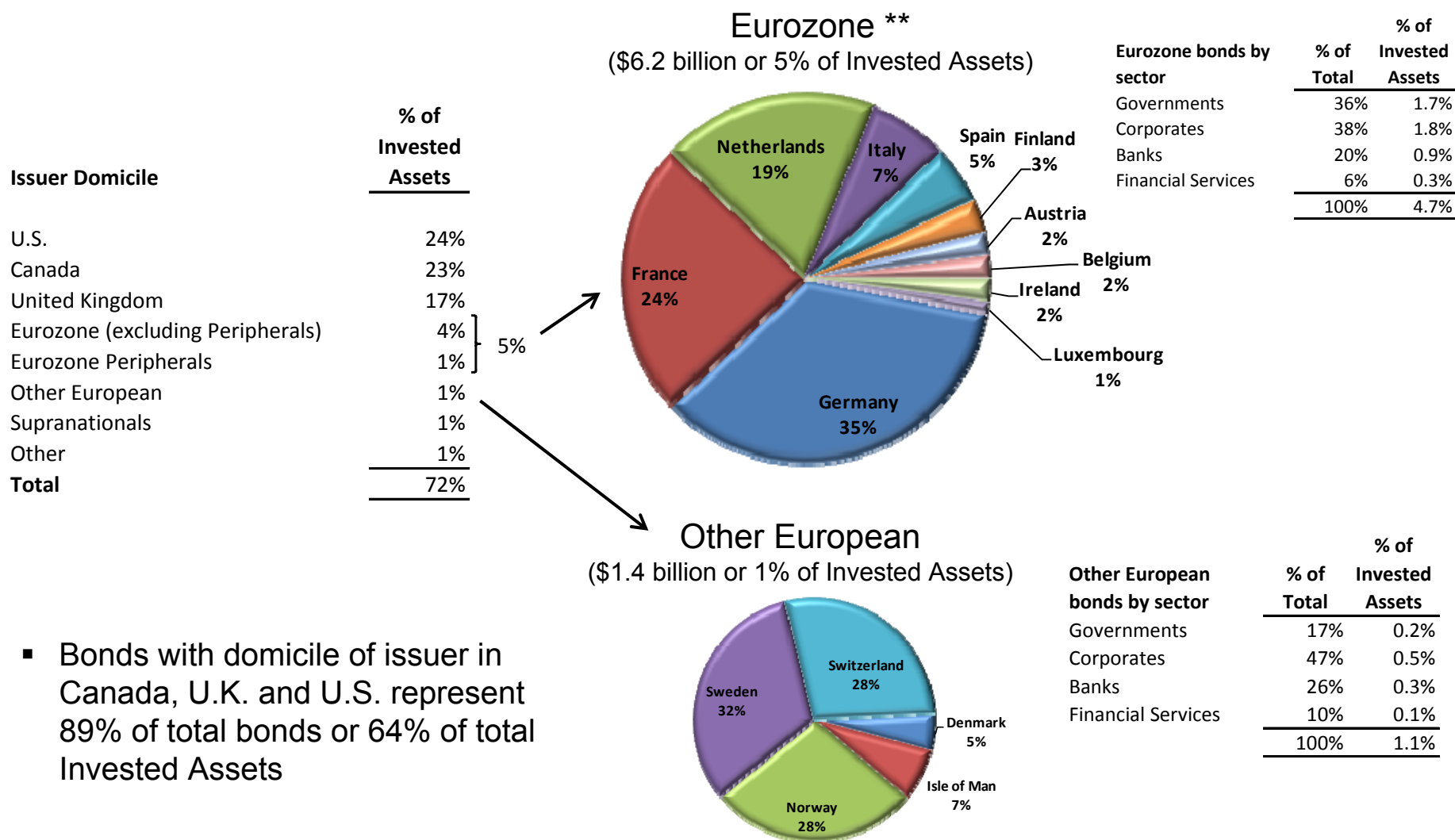
Invested Asset Composition*



- Invested assets at March 31, 2013 were \$133 billion
- Diversified high quality portfolio:
 - Bonds represent 72% of invested assets (98% are investment grade; 82% rated A or higher)
 - Mortgage portfolio represents 14% of invested assets, and is well diversified by geography and property type
 - Stocks represent 5% of invested assets, mostly Canadian publicly traded
 - Investment Properties represent 3% of invested assets (37% of portfolio in Canada; 62% in UK). Properties are unlevered; UK properties subject to long term lease contracts

*Includes certain funds held by ceding insurers (carrying value of \$9.2 billion).

Total Bonds by Issuer Domicile*



*Includes certain funds held by ceding insurers.

**Includes countries that have adopted the euro currency.

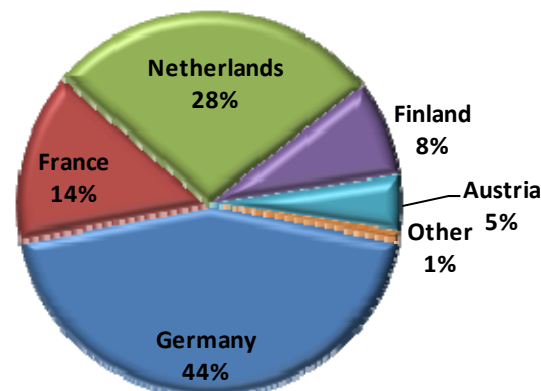
Government Bonds by Issuer Domicile*

(\$37.7 billion or 28% of Invested Assets)

Issuer Domicile	% of Invested Assets
Canada	12%
United Kingdom	7%
U.S.	6%
Eurozone (excluding Peripherals)	2%
Supranationals	1%
Other	0.4%
Eurozone Peripherals	0.1%
Total	28%

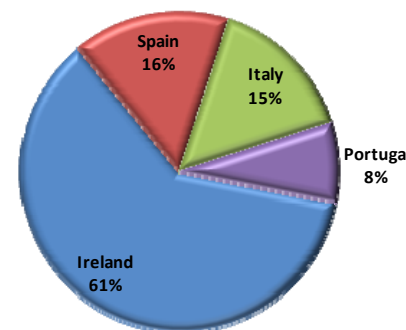
Eurozone (excluding Peripherals)**

(\$2.1 billion or 1.6% of Invested Assets)



Eurozone Peripherals**

(\$0.1 billion or 0.1% of Invested Assets)



- Bonds issued by the governments of Canada, U.K. and U.S represent 90% of total government bonds or 25% of total Invested Assets
- Total holdings of Bonds issued by governments of Eurozone countries represent 1.7% of total Invested Assets

*Includes certain funds held by ceding insurers.

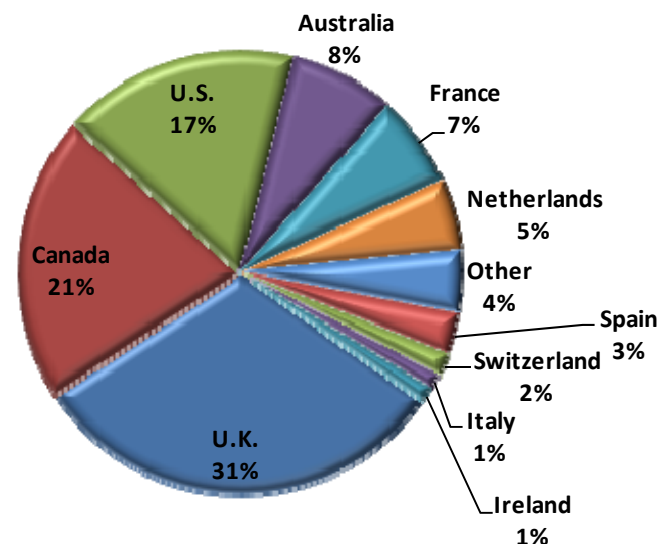
**Includes countries that have adopted the euro currency.

Corporate and Securitized Bond Diversification*

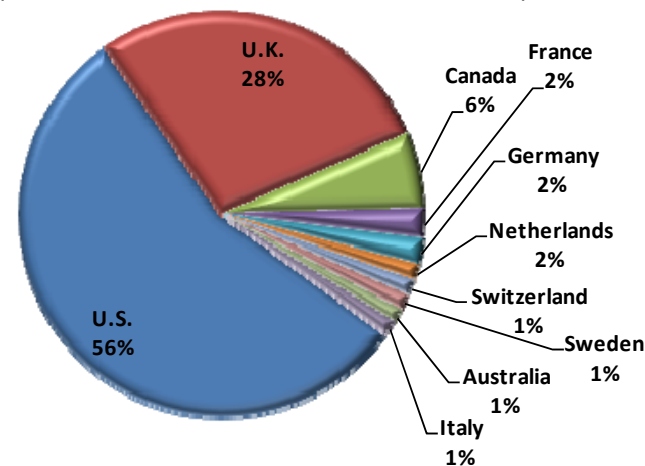
By Industrial Classification

	% of Invested Assets
Corporates	
Banks	5%
Consumer Products	5%
Electric Utilities	5%
Financial Services**	4%
Miscellaneous	4%
Real Estate	2%
Oil and Gas	2%
Other Utilities	2%
Air Transportation	2%
Other Transportation	1%
Utility Distributors	1%
Industrial Products	1%
Communications	1%
Basic Materials	1%
Pipelines	1%
Auto & Auto Parts	1%
Total Corporates	38%
Securitized	
CMBS	2%
RMBS	1%
Other ABS	3%
Total Securitized	6%
Total	44%

Banks by Issuer Domicile (\$6.7 billion or 5% of Invested Assets)



Financial Services by Issuer Domicile (\$5.4 billion or 4% of Invested Assets)



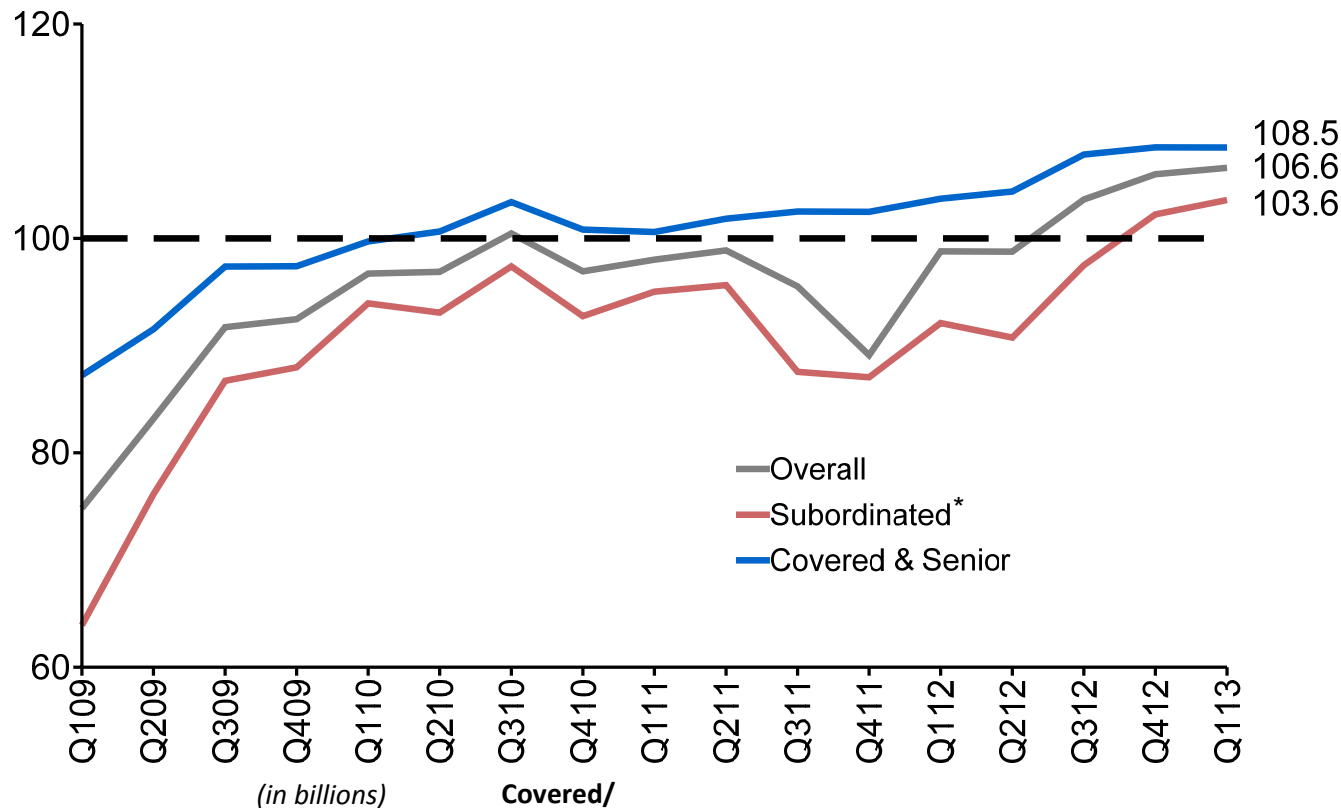
- No sectors are > 5% of Invested Assets

*Includes certain funds held by ceding insurers.

** Includes Insurance (2.2% of Invested Assets), Asset Managers (0.9% of Invested Assets), Leasing (0.5% of Invested Assets) & Investment Banks (0.2% of Invested Assets)

Banks & Other Financial Institutions Bond Holdings – Pricing Trends

Bond Price
Banks & Other Financial Institutions

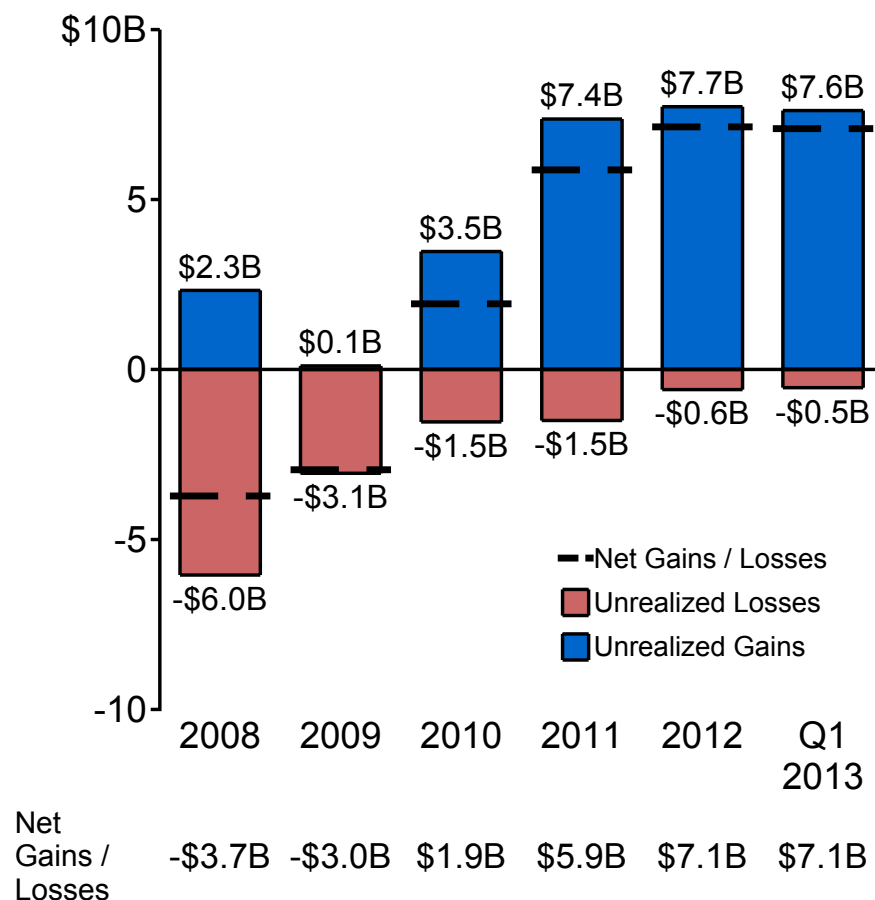


	Covered/ Senior	Subordinated	Total
Banks	3.5	3.2	6.7
Other Financials	4.1	1.3	5.4
	7.6	4.5	12.1

*Subordinated includes lower tier 2, upper tier 2, tier 1 and contingent capital

Bond Portfolio Unrealized Gains and Losses

Bond Portfolio Unrealized Gains and Losses
At Dec 31

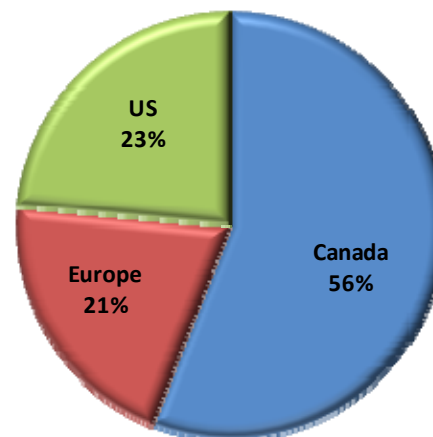


- Unrealized bond losses have decreased from \$6.0 billion at the end of 2008 to \$0.5 billion at March 31, 2013
- Unrealized bond gains have increased from \$2.3 billion to \$7.6 billion over the same period
- Net unrealized gains at March 31, 2013 consist of \$3.0 billion on Government bonds, \$3.7 billion on Corporate bonds and \$0.4 billion on Securitized bonds

Conventional Commercial Mortgages

Conventional Commercial by industry	% of Invested Assets
Multi-family	1%
Retail	3%
Office	2%
Industrial	3%
Other	1%
	10%

By Issuer Domicile
(\$13.5 billion or 10% of Invested Assets)



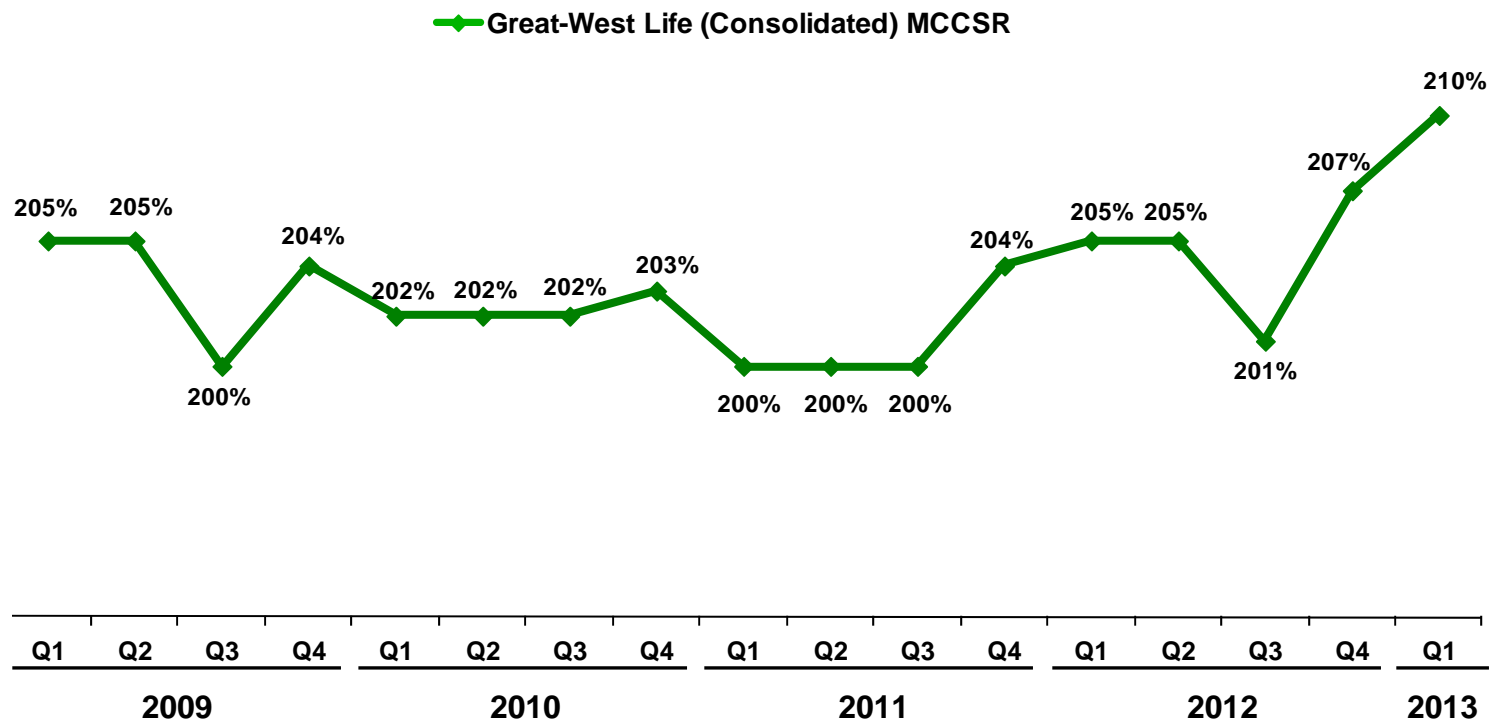
- Conventional Mortgages at March 31, 2013 were \$13.5 billion or 10% of Invested Assets
- Portfolio is well diversified by property type and geography
- Overall mortgage portfolio is well seasoned and performing strongly – minimal impairments and delinquencies > 90 days on non-impaired mortgages are negligible



Capital & Other

Garry MacNicholas
Senior Vice-President, Chief Actuary
Great-West Life

Regulatory Capital Ratios Remain Strong



Note: 2009 and 2010 are reported under CGAAP

- Strong earnings in Q1 2013 offset the increased requirements from business growth and the negative impact of a weaker Pound Sterling
- Increase to 210% from 207% was largely due to the new lower MCCR requirements for lapse risk (+ 4 pts), less the impact of phasing in the transition to IAS 19R for pensions (- 1 pt)

Great-West Lifeco – Source of Earnings

(C\$MM)	For the three months ended March 31, 2013					Q1 2012
	Canada	U.S.	Europe	Corp	Total	Total
Expected profit on in-force business	256	91	129	(3)	473	409
Impact of new business	(6)	-	11	-	5	(8)
Experience gains and losses	50	24	59	-	133	61
Management actions and changes in assumptions	42	-	17	-	59	33
Other	-	-	-	-	-	-
Earnings on surplus	16	12	25	(10)	43	94
Operating Earnings before tax	358	127	241	(13)	713	589
Taxes	(66)	(42)	(43)	2	(149)	(103)
Operating Earnings before non-controlling interests & preferred dividends	292	85	198	(11)	564	486
Non-controlling Interests & Preferred Dividends	(27)	-	(6)	-	(33)	(25)
Operating Earnings - Common Shareholders before adj. and Putnam	265	85	192	(11)	531	461
Putnam after-tax	-	(14)	-	-	(14)	(12)
Adjustments after-tax	-	-	-	-	-	-
Net Earnings - Common Shareholders	265	71	192	(11)	517	449



Canada

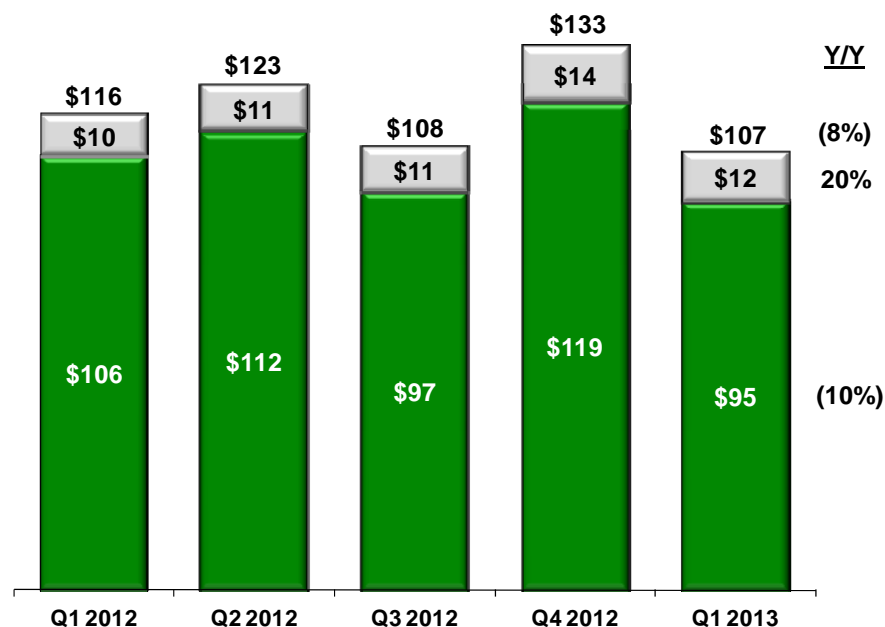


Paul Mahon
President & Chief Operating Officer
Canada

Canada – Individual Insurance

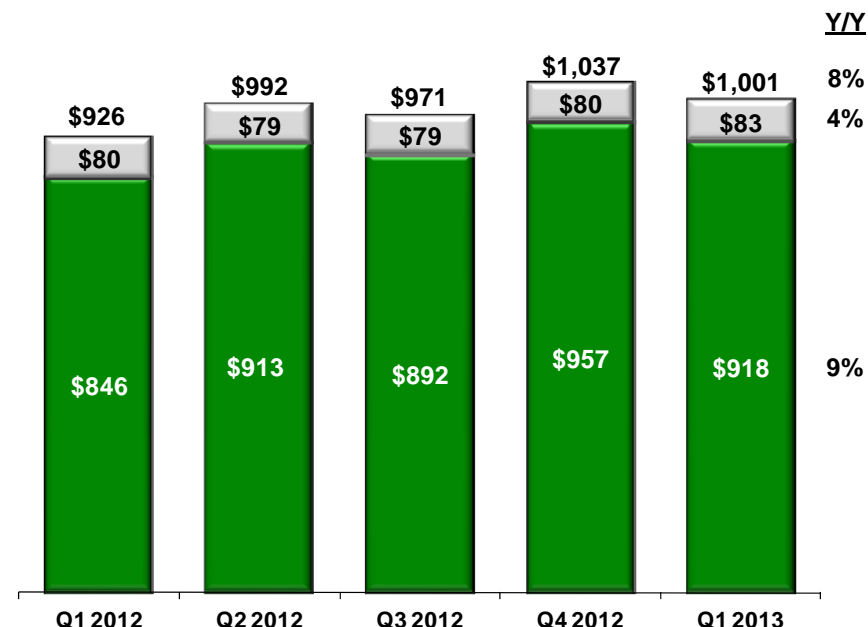
New Annualized Premiums (Sales)

(C\$MM)



Premiums & Deposits

(C\$MM)



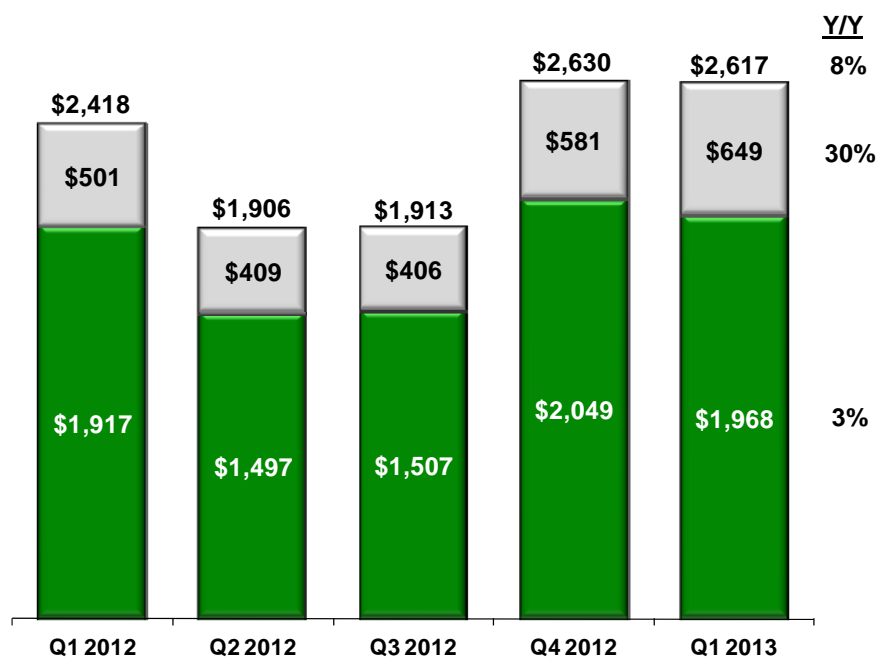
Note: Prior year sales (non-IFRS measure) results have been restated to conform with changes in methodology implemented in 2013 which improve consistency across our platforms and with industry standards for sales measurement

Canada – Wealth Management

New Annualized Premiums (Sales)

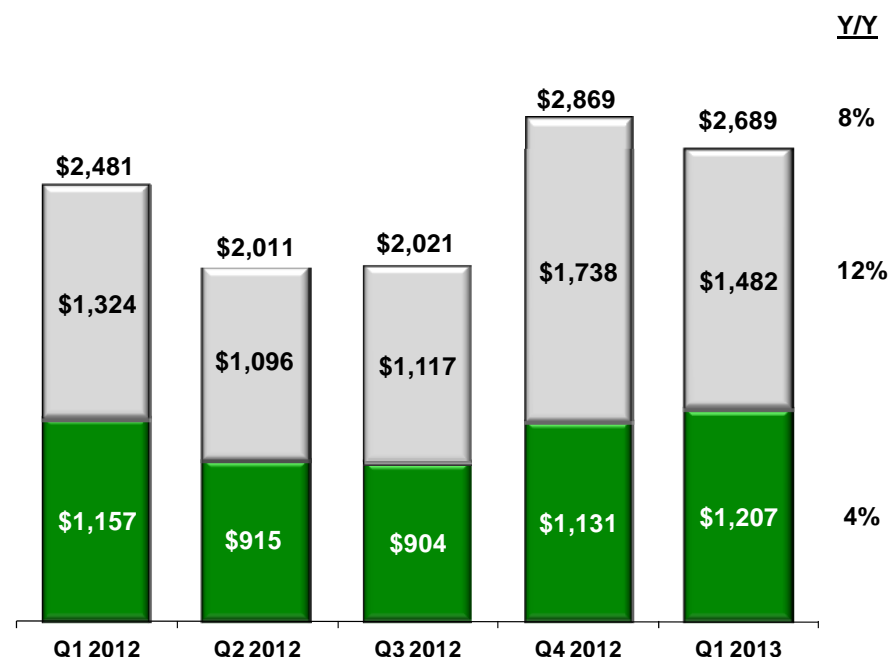
(C\$MM)

■ Individual Wealth Management ■ Group Retirement Services



Premiums & Deposits

(C\$MM)



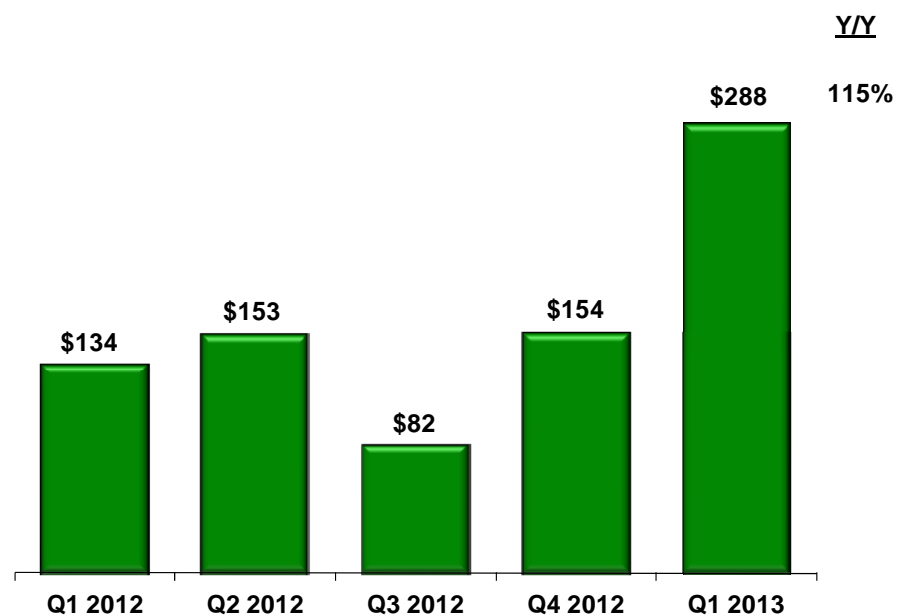
- Wealth Management had positive net cash flows of \$542 million

Note: Prior year sales (non-IFRS measure) results have been restated to conform with changes in methodology implemented in 2013 which improve consistency across our platforms and with industry standards for sales measurement

Canada – Group Insurance

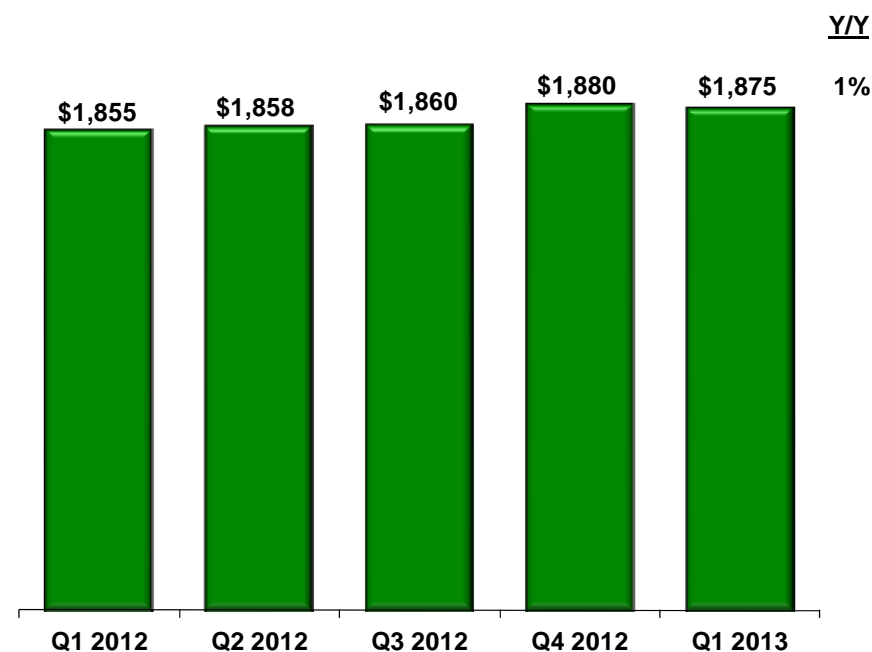
New Annualized Premiums (Sales)

(C\$MM)



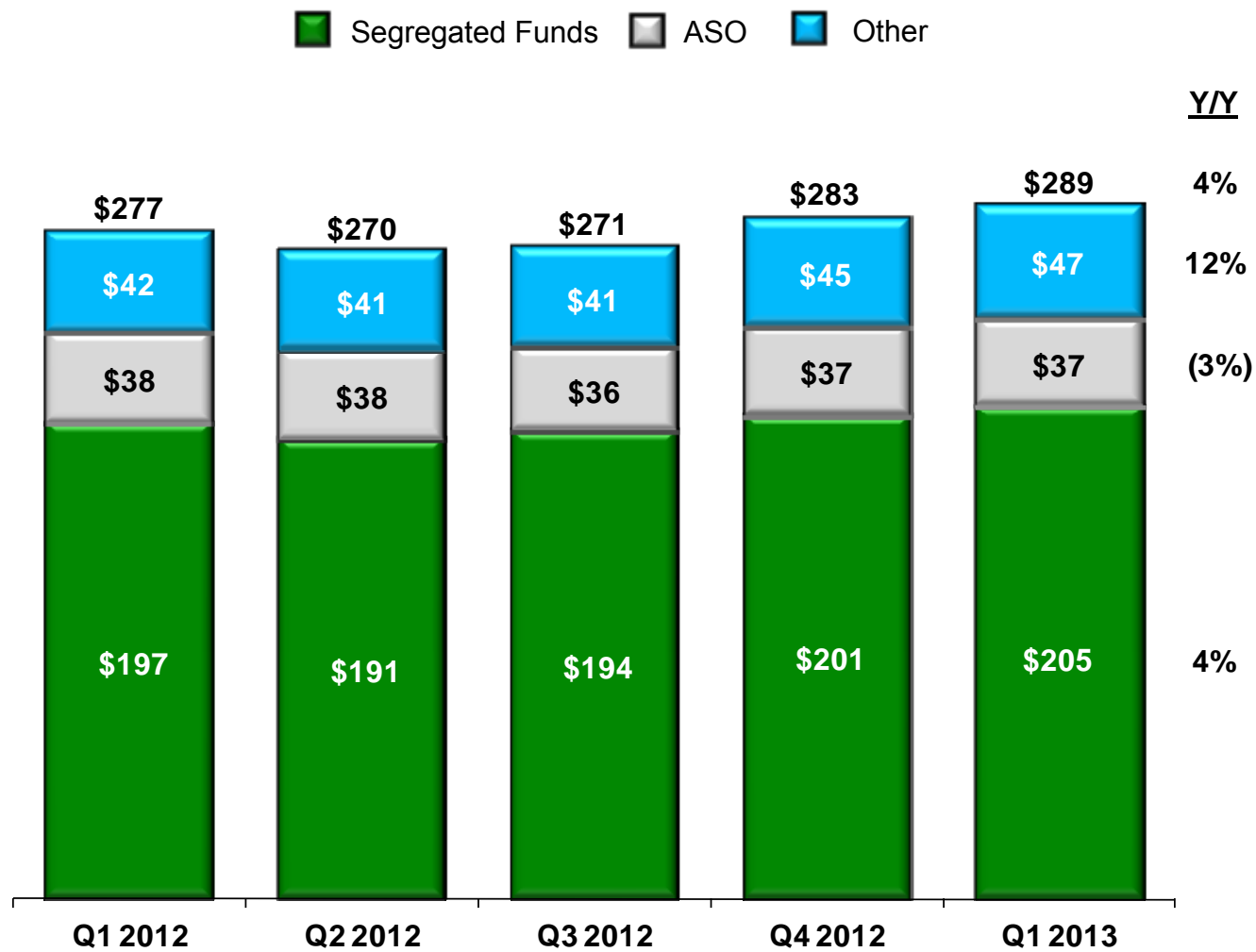
Premiums & Deposits

(C\$MM)



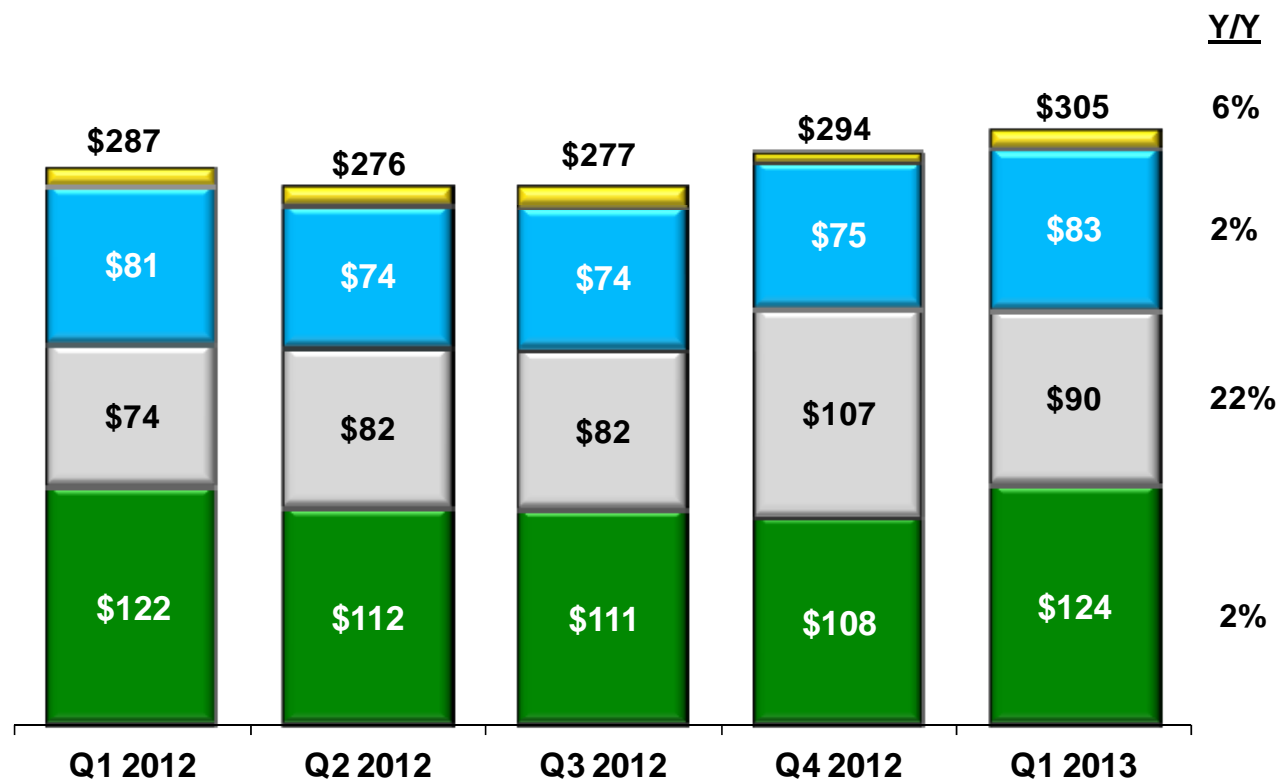
Canada – Fee Income

(C\$MM)



Canada – Operating Expenses

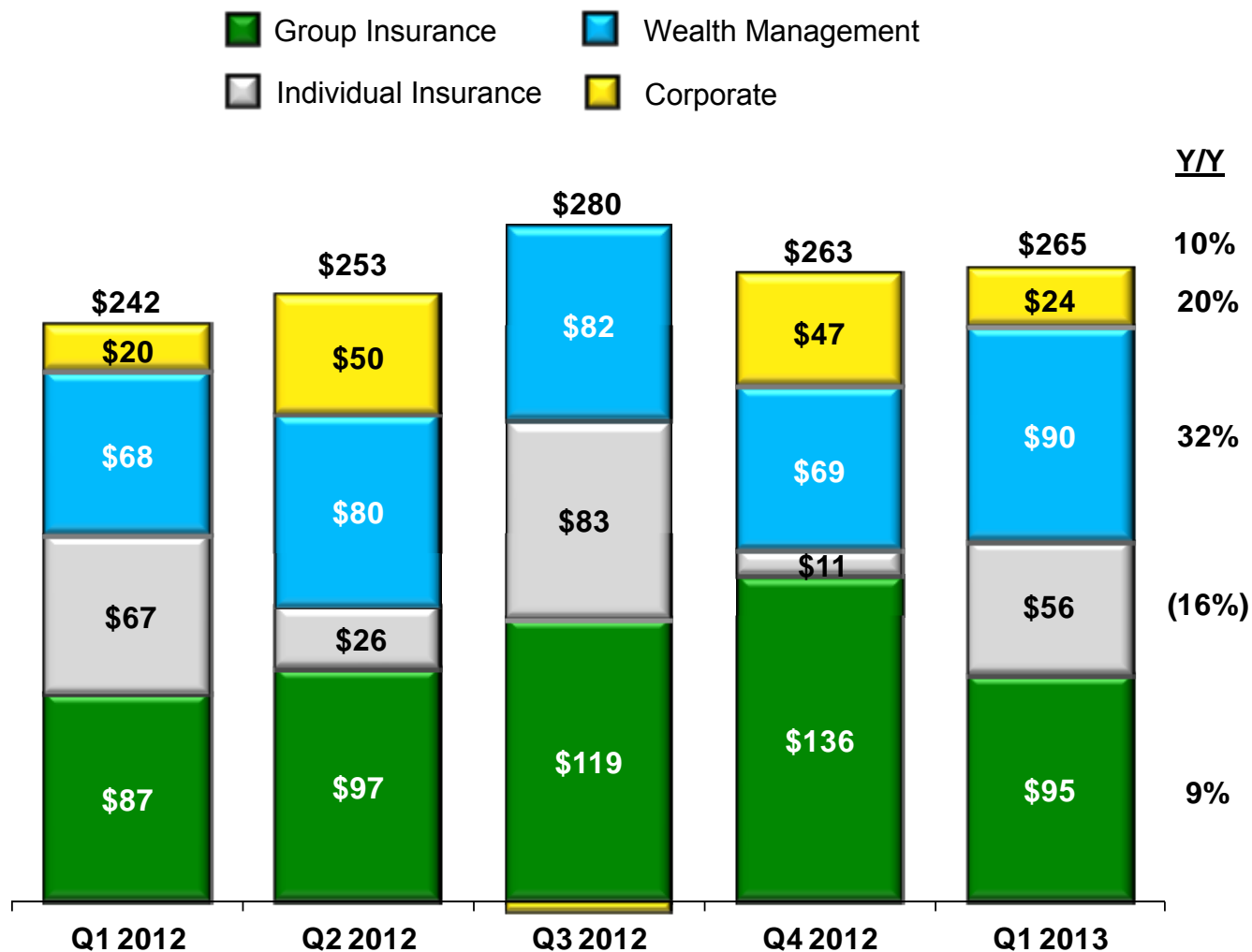
(C\$MM)



Operating expenses exclude the impact of certain litigation provisions in Q4 2012

Canada – Operating Earnings

(C\$MM)





Great-West Financial



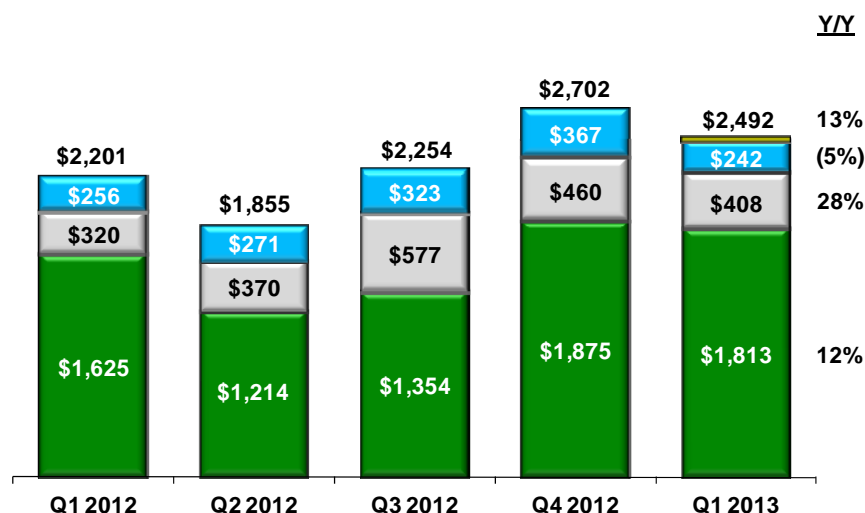
Mitchell T.G. Graye
President & Chief Executive Officer
Great-West Financial

Great-West Financial – Sales and Premiums & Deposits

Sales

(US\$MM)

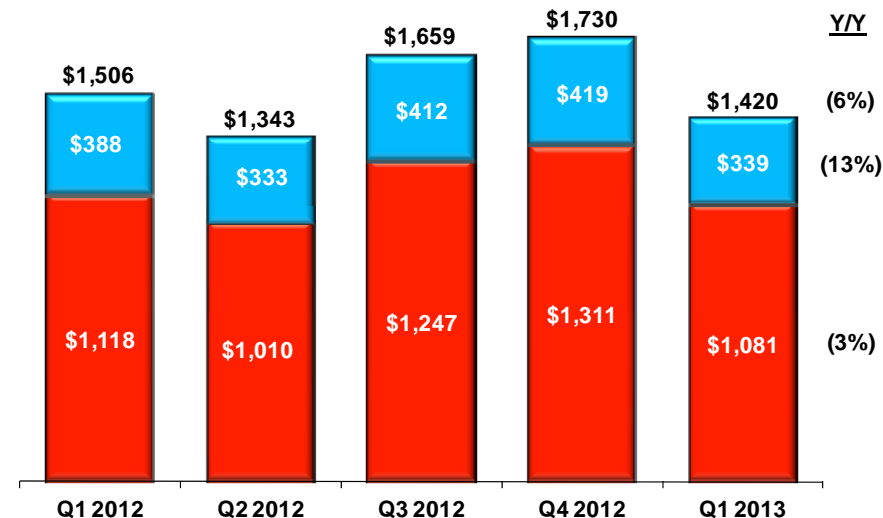
401(k) P/NP Individual Markets Institutional



Premiums & Deposits

(US\$MM)

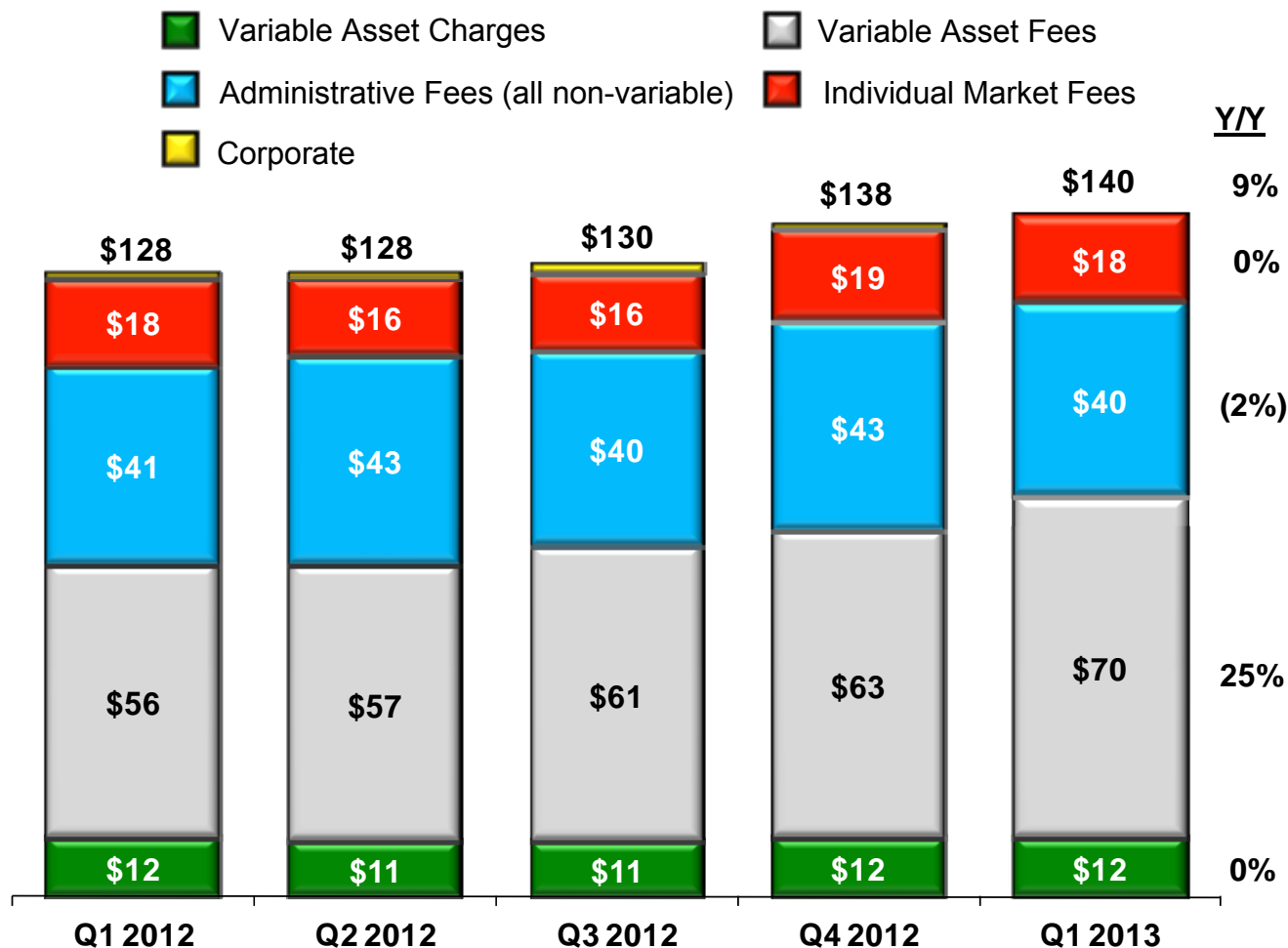
Retirement Services Individual Markets



Note: Prior year sales (non-IFRS measure) results have been restated to conform with changes in methodology implemented in 2013 which improve consistency across our platforms and with industry standards for sales measurement

Great-West Financial - Fee Income

(US\$MM)



Note : Due to a reporting change in Q1 2013, Fee Income has been restated for all quarters in 2012

Great-West Financial – Operating Expenses

(US\$MM)



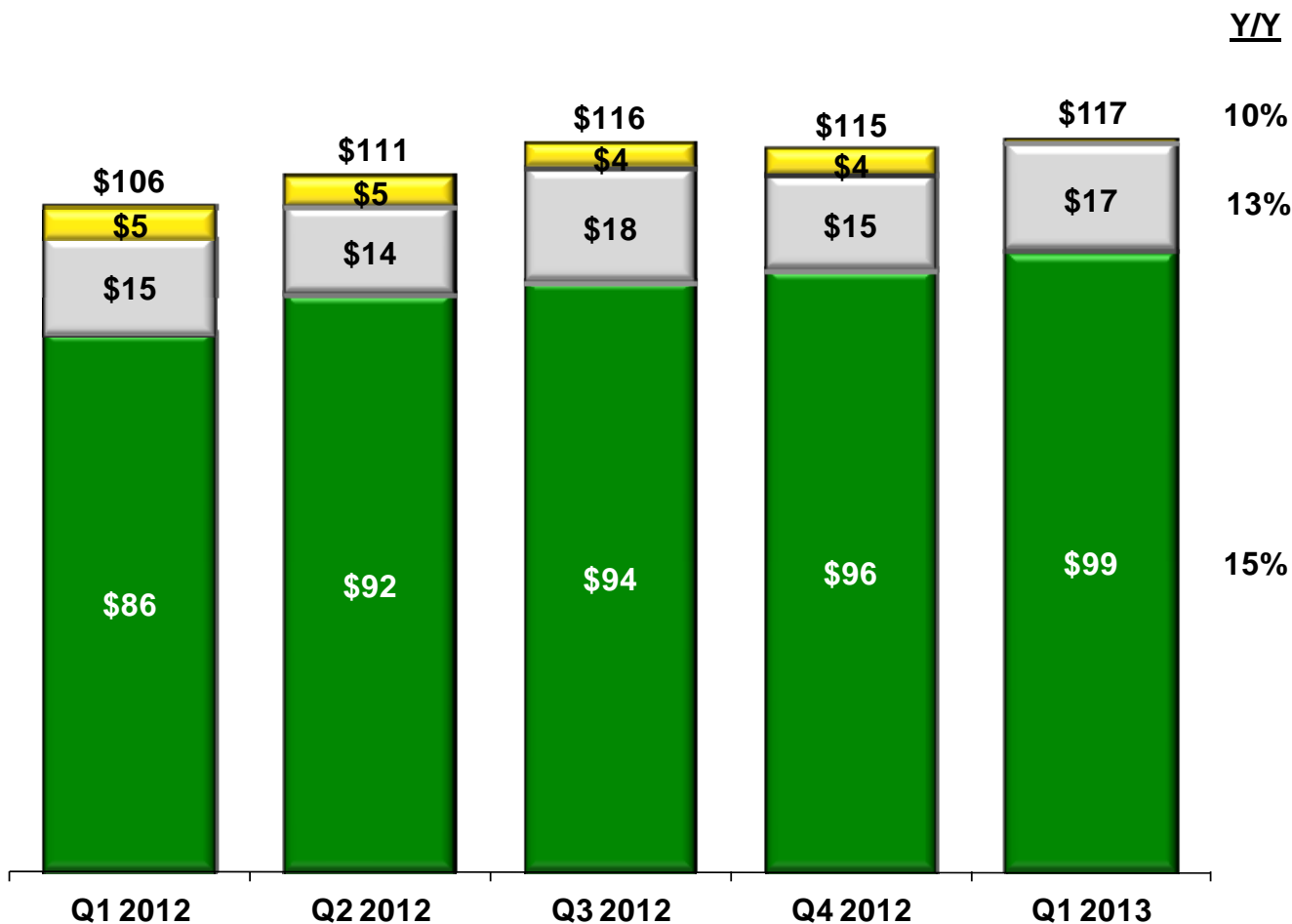
Retirement Services



Individual Markets

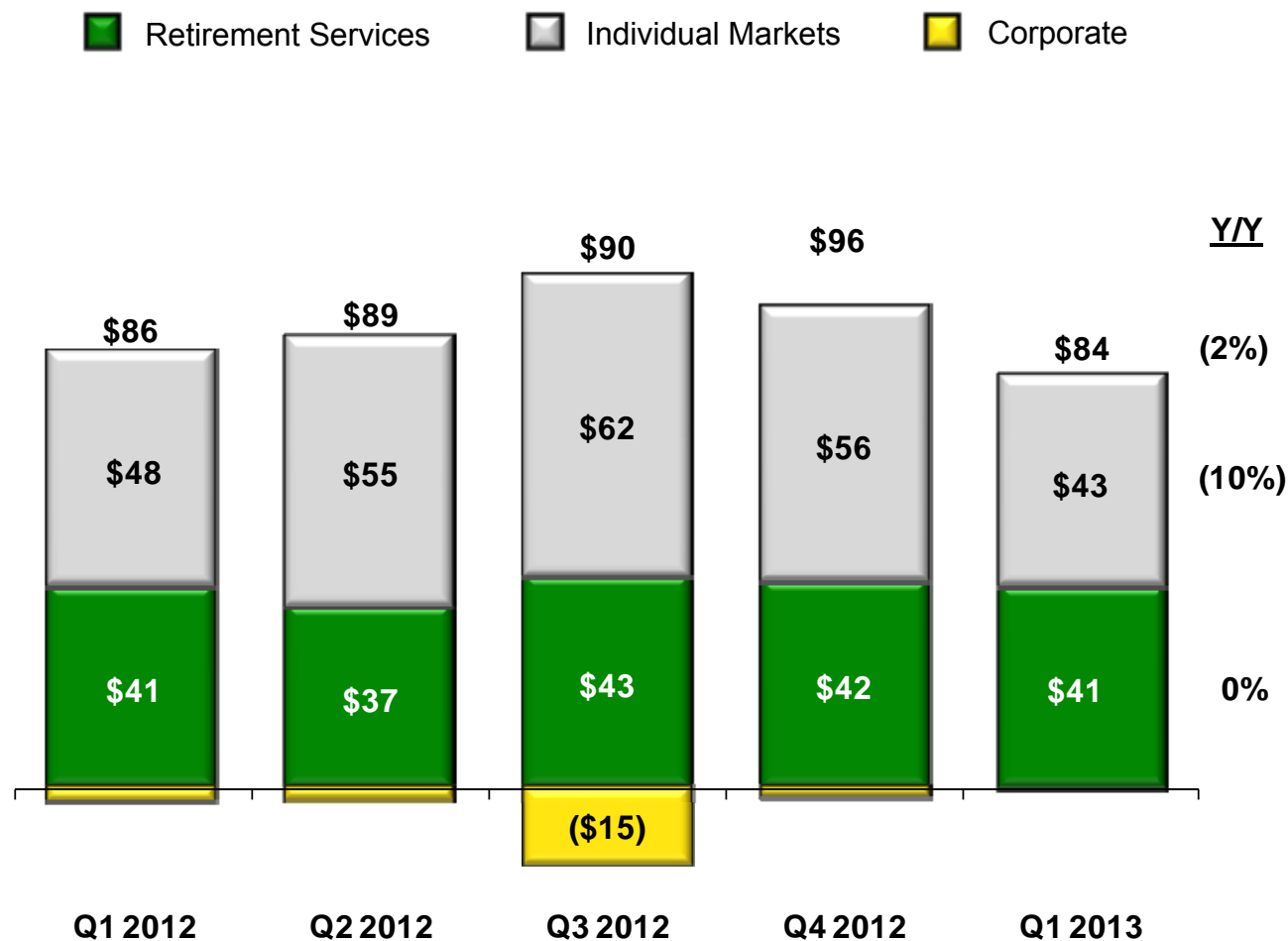


Corporate



Great-West Financial - Operating Earnings

(US\$MM)



Note: Net Income in Q1/12 and Q4/12 each include approximately US\$14M of tax benefits.



Putnam Investments



Robert Reynolds
President & Chief Executive Officer
Putnam Investments

Putnam - AUM & Flows

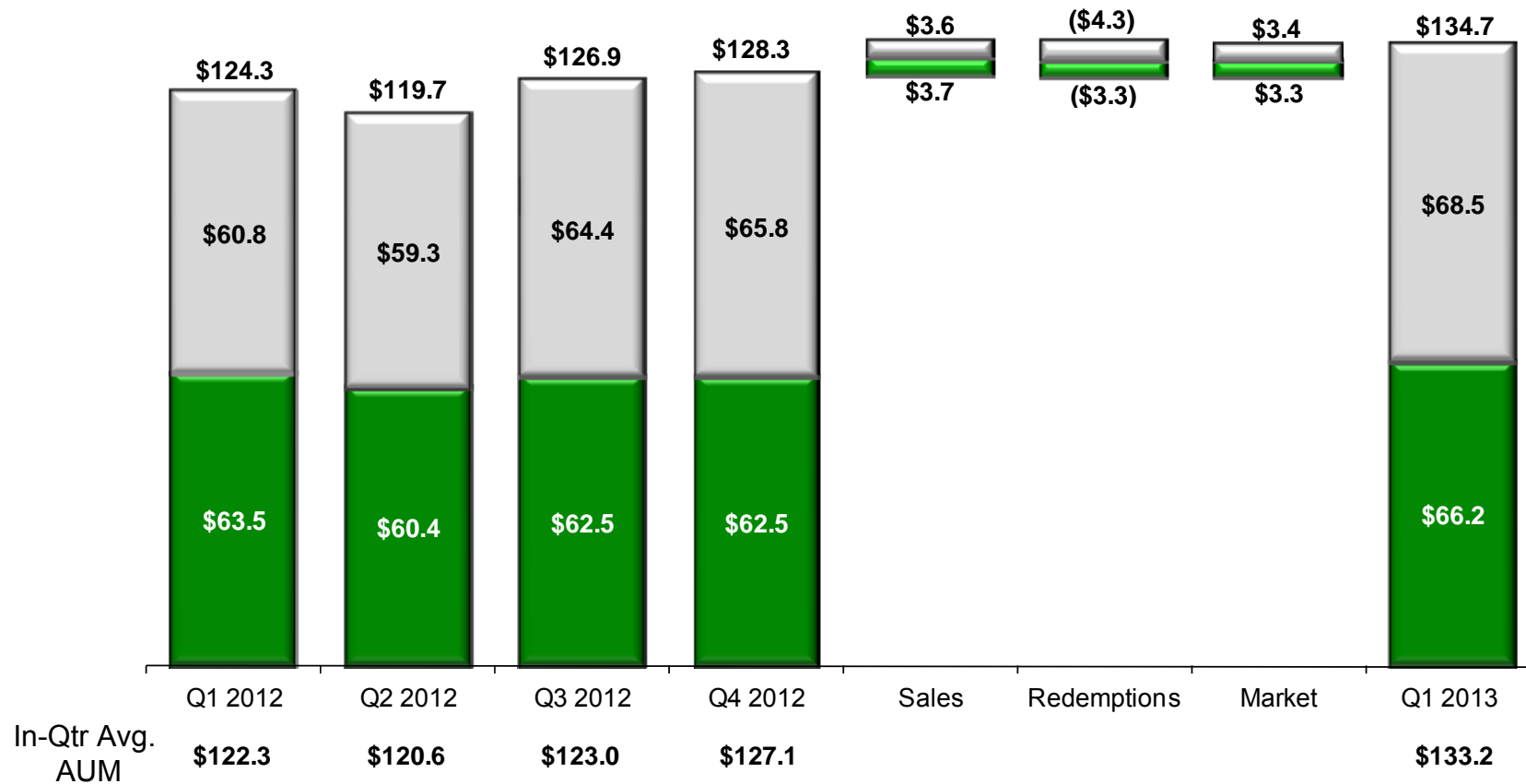
(US\$bln)



Mutual Funds

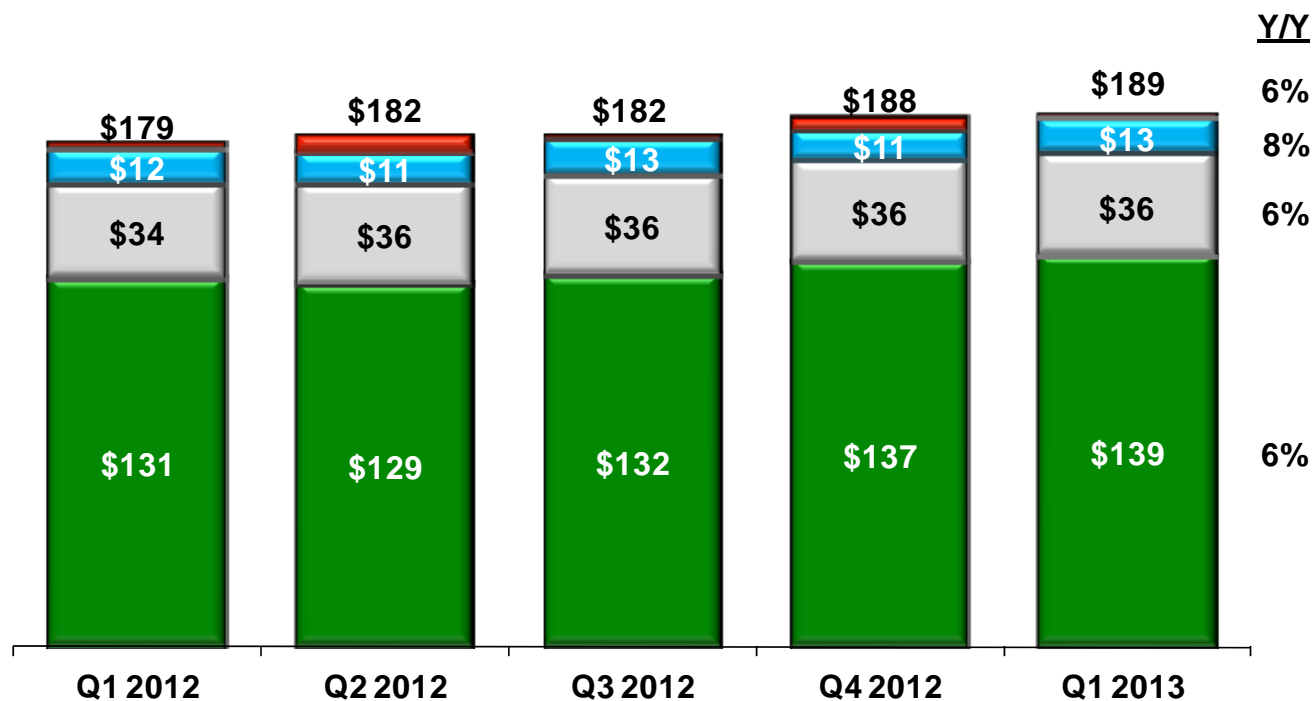
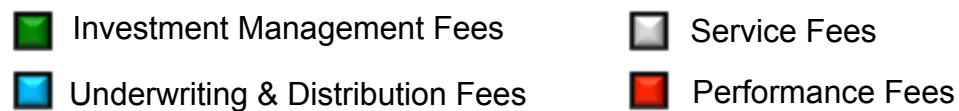


Institutional



Putnam - Fee Income

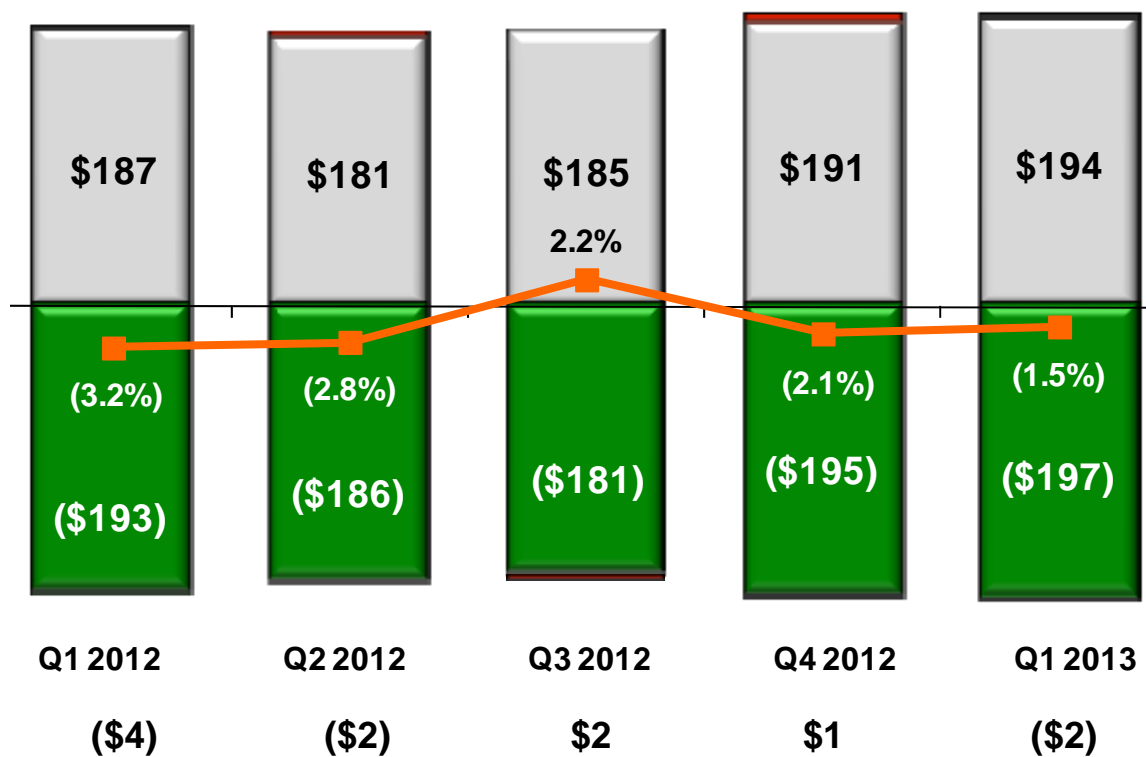
(US\$MM)



Putnam - Core Earnings

(US\$MM)

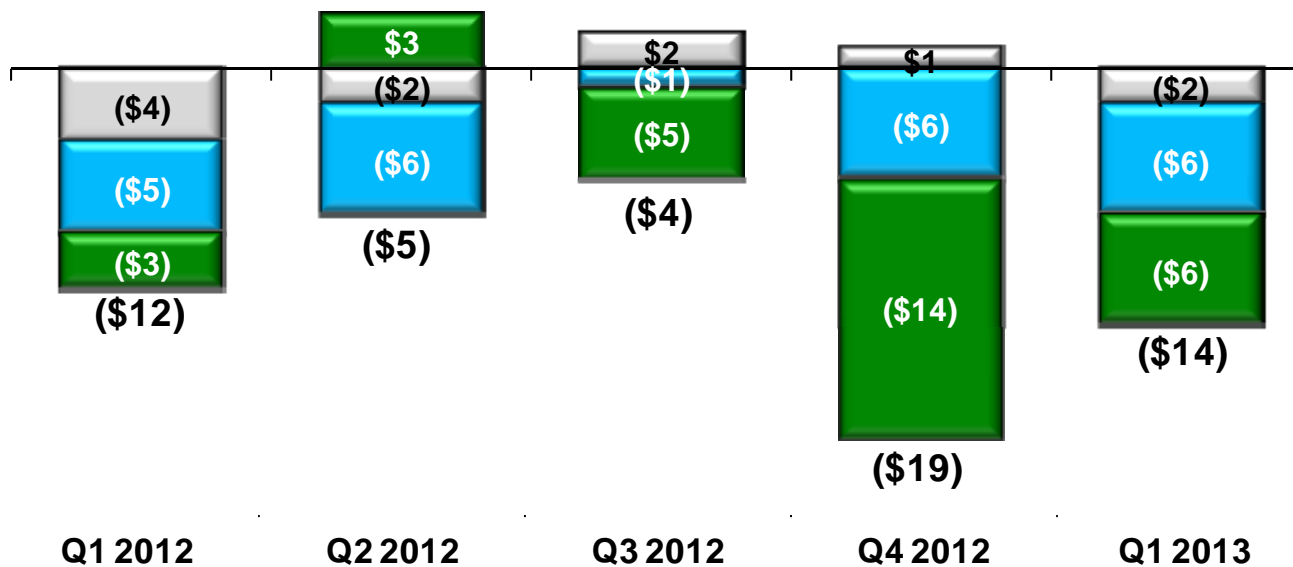
■ Expenses ■ Income Taxes
■ Fee & Net Inv Income —■— Operating Margin (Pre-tax)



Putnam - Contribution to Lifeco Earnings

(US\$MM)

Core Earnings (After-tax)
 Financing Expenses
 Other





Europe



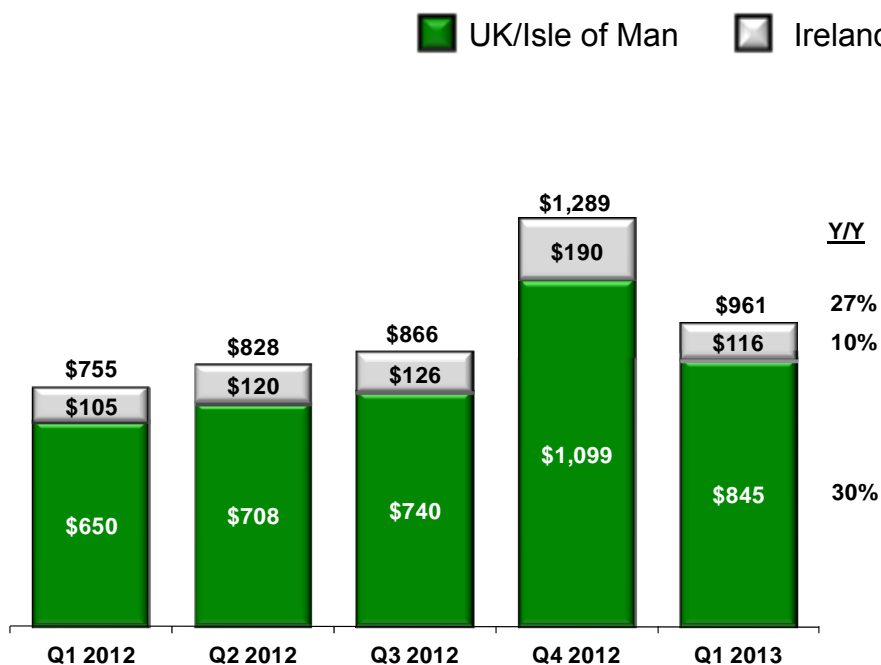
Arshil Jamal

*President & Chief Operating Officer
Canada Life Capital Corporation*

Europe – Sales and Premiums & Deposits

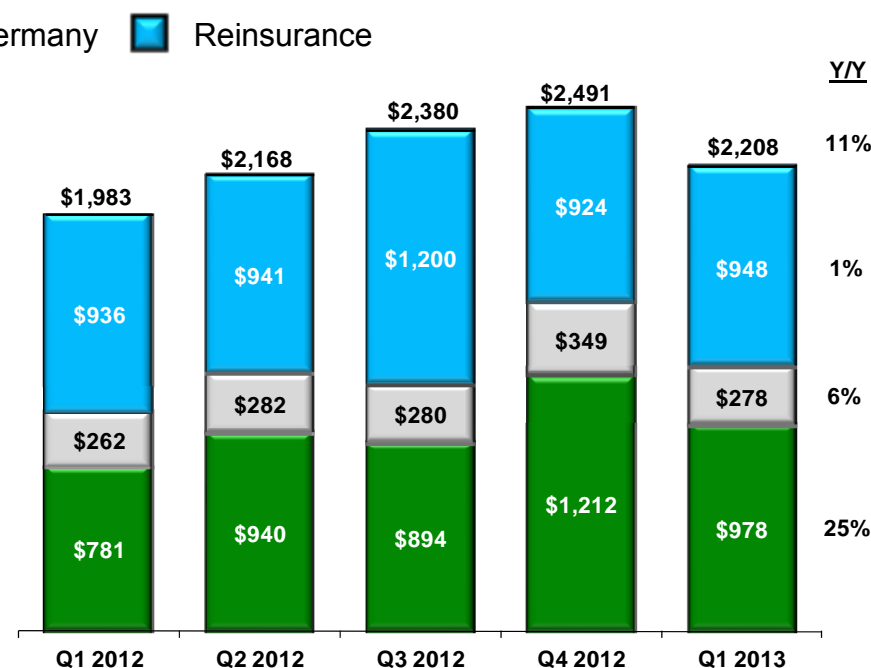
Sales

(C\$MM)



Premiums & Deposits

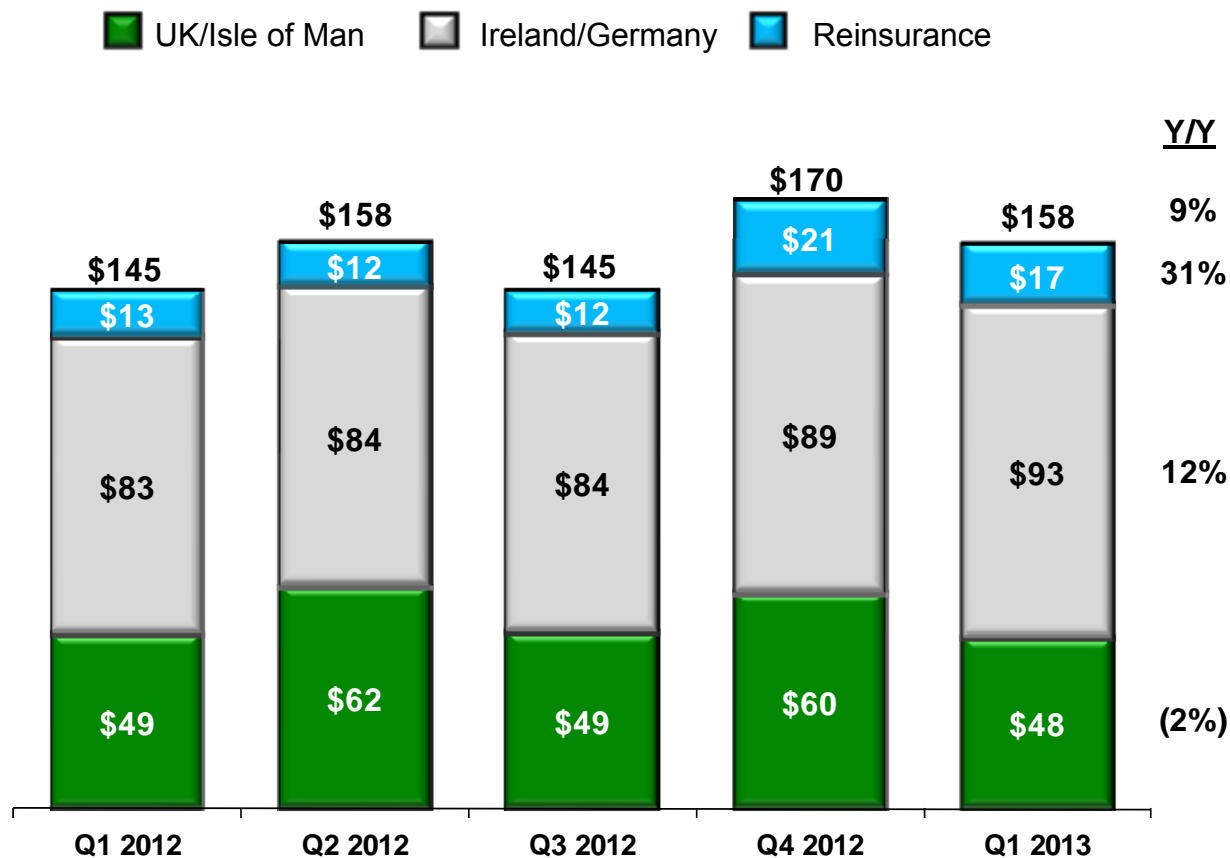
(C\$MM)



Note: Consolidated totals includes Europe corporate

Europe – Fee Income

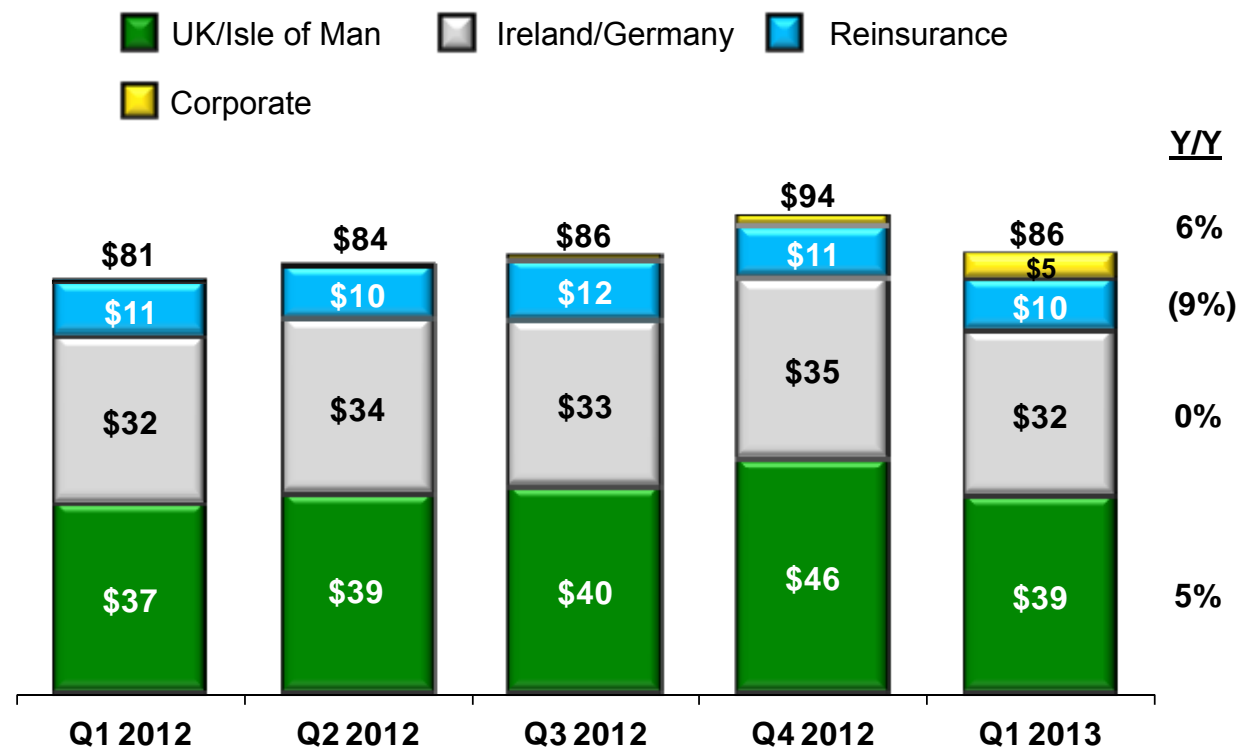
(C\$MM)



Note: Consolidated totals includes Europe corporate

Europe – Operating Expenses

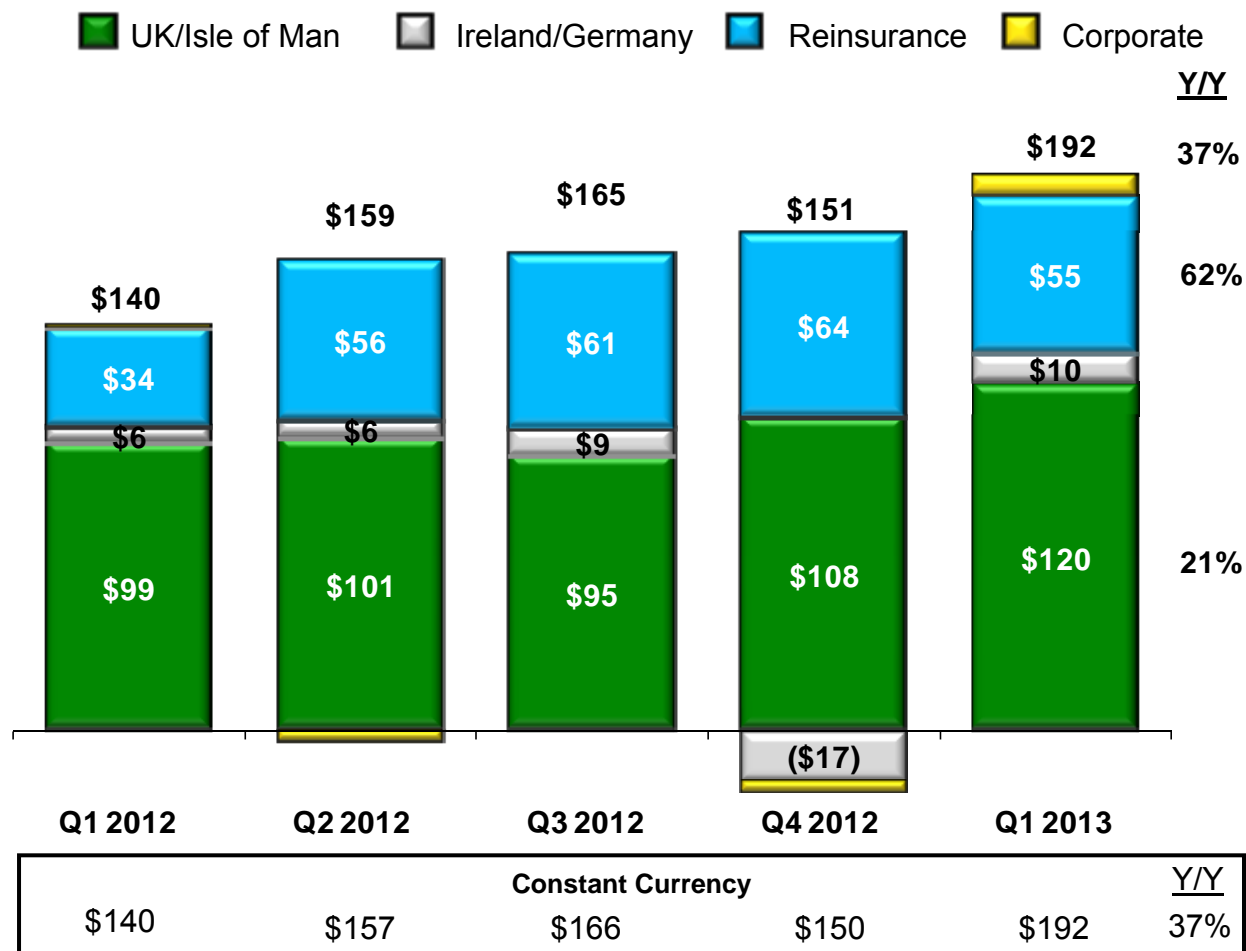
(C\$MM)



Note: Q1 2013 Corporate expense includes \$4 million of Irish Life acquisition-related expenses

Europe - Consolidated Operating Earnings

(C\$MM)



Macro Economic Environment

	Equity Markets					
	S&P TSX		S&P 500		FTSE 100	
	Close	Average	Close	Average	Close	Average
Q1 2013	12,750	12,721	1,569	1,513	6,412	6,295
Q4 2012	12,434	12,268	1,426	1,418	5,898	5,847
Q3 2012	12,317	11,924	1,441	1,401	5,742	5,745
Q2 2012	11,597	11,749	1,362	1,350	5,571	5,549
Q1 2012	12,392	12,441	1,408	1,347	5,768	5,818

Macro Economic Environment

	Interest Rates					
	Canada		United States		United Kingdom	
	10 Year Gov't	A Rated Corporate Spread⁽¹⁾	10 Year Gov't	A Rated Corporate Spread⁽¹⁾	10 Year Gov't	A Rated Corporate Spread⁽¹⁾
Q1 2013	1.76%	1.47%	1.85%	1.21%	1.77%	1.37%
Q4 2012	1.80%	1.52%	1.76%	1.25%	1.83%	1.40%
Q3 2012	1.73%	1.56%	1.63%	1.24%	1.73%	1.91%
Q2 2012	1.74%	1.69%	1.65%	1.57%	1.73%	2.11%
Q1 2012	2.11%	1.60%	2.21%	1.69%	2.20%	2.02%

(1) Credit spread over 10 year government benchmark yield for 10 year bonds of A rated corporate issuers

Macro Economic Environment

	Currency					
	Income & Expenses			Balance Sheet		
	US\$	£	€	US\$	£	€
Q1 2013	1.01	1.56	1.33	1.02	1.54	1.30
Q4 2012	0.99	1.59	1.29	0.99	1.62	1.31
Q3 2012	1.00	1.57	1.24	0.98	1.59	1.26
Q2 2012	1.01	1.60	1.30	1.02	1.60	1.29
Q1 2012	1.00	1.57	1.31	1.00	1.60	1.33



Questions
