

GREAT-WEST LIFECO INC.

THE
Great-West Life
ASSURANCE  COMPANY



Canada Life



Irish Life

GREAT-WEST
FINANCIAL



Putnam
INVESTMENTS

Q2 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

Paul Mahon

President & Chief Executive Officer

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

Earnings increased by 7% over Q2 2012, to \$521 million

- Operating earnings of \$521 million in the second quarter, up from \$488 million one year ago, and up from \$517 million in the first quarter of 2013
- Earnings per common share of \$0.548 in the quarter
- Maintained industry leading ROE of 16.8% on operating earnings

Sales up 30% over Q2 2012 reflecting strong momentum

- Sales growth across all geographies
 - 17% increase in Canada over last year driven by strong growth in Wealth Management sales
 - 35% growth at Great-West Financial reflecting higher volumes in Retirement Services
 - 7% increase in Europe, driven by sales of Payout Annuities
 - Putnam sales reached C\$6.5 billion, up 38% from a year ago, reflecting continuing strong retail results
- Premiums and Deposits (P&D) grew by 14% to reach \$15 billion, reflecting strong sales in all operating segments
 - Canadian segment P&D were up 9% from Q2 2012 driven by strong Wealth Management results, and in particular by Group Retirement products that grew by 26%
 - Great-West Financial Retirement Services P&D were up 11%

Strengthened financial and capital position

- MCCR of 233% for Great-West Life Assurance Company, or 218% excluding a 15 point impact of capital activity in advance of the closing of the Irish Life acquisition
- Holding company cash at quarter end was approximately \$0.4 billion. After the closing of the Irish Life transaction and release of funds held in escrow, Lifeco cash is approximately \$1 billion
- Common shareholder dividend \$0.3075 per share





Assets Under Administration of \$596 billion, up \$50 billion from year-end

- In the first six months of 2013, Assets Under Administration grew by \$50 billion or 9%, and 14% year-over-year reflecting strong sales and equity markets' growth in the US and in Europe
- High quality investment portfolio continues to support strong financial results

Great-West Lifeco completed the acquisition of Irish Life

- On July 18, 2013 Lifeco announced the completion of the previously announced €1.3 billion acquisition of Irish Life Group Limited, through its indirect wholly owned subsidiary Canada Life Limited
- Lifeco is now the leading provider of life insurance, pensions and investment management in Ireland, with approximately 30% market share, consistent with our global business strategy of developing significant market positions in the sectors where we operate
- This accretive acquisition is expected to add an estimated \$0.10, or 4% to Lifeco's consensus 2014 earnings per share including €40 million in pre-tax expense synergies. We plan to achieve 90% of these expense synergies within 18 months on an annualized basis
- As a result of completing the acquisition, Great-West Lifeco's 48,660,000 subscription receipts were automatically exchanged on a one-for-one basis for common shares of Great-West Lifeco. This increased the total number of shares outstanding to 1,000,450,840

Quarter Overview – Market Conditions had \$12 million Negative Impact on Earnings

(C\$MM)	Equity Markets	Interest Rates	Credit Markets	Currency
Net Earnings Impact Q2/13	 (\$3)	 NM	 (\$8)	 (\$1)
	▪ Not Material	▪ Not Material	▪ Net recoveries of impaired investments of \$3 ▪ Net increase in credit default provisions (\$11) due to credit downgrades	▪ Not Material

- The impact of interest rates on earnings was not material, but the MCCSR ratio increased by 5 points as a result of higher interest rates
- Currency impacts were negative \$1 million on earnings but increased the book value of equity by \$0.34, to \$13.48 per common share



Lifeco Summary of Results

William W. Lovatt

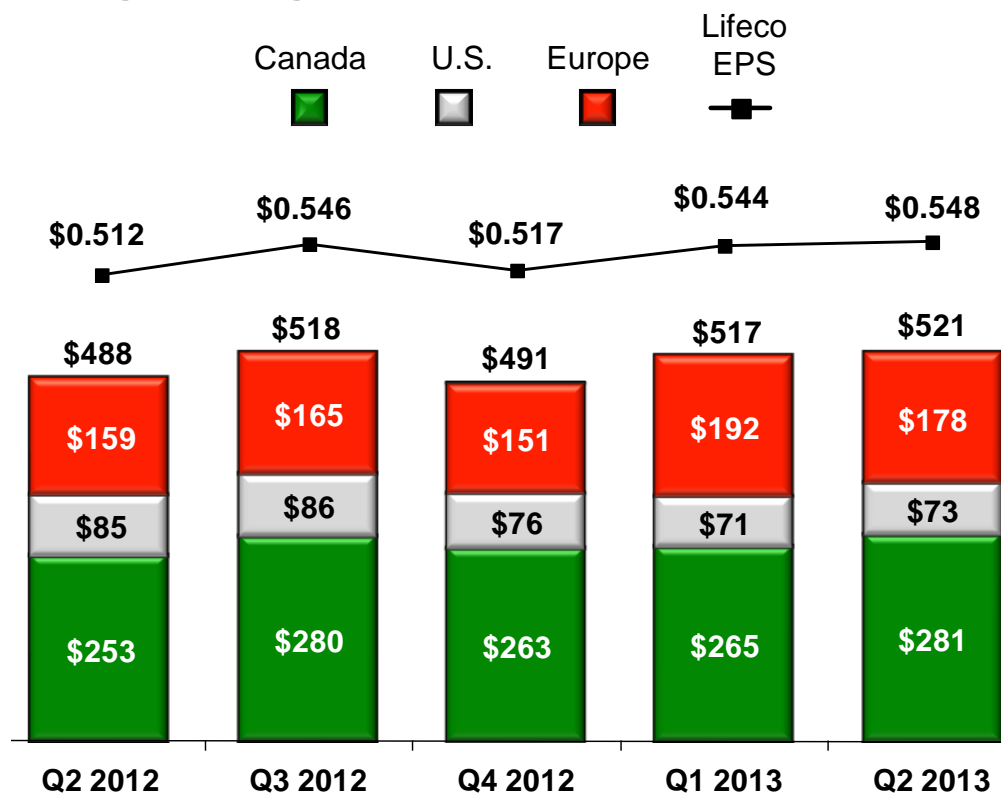
Executive Vice President & Chief Financial Officer

Great-West Lifeco

Great-West Lifeco Operating Earnings

(C\$MM)

Except earnings per share



Note: Consolidated totals include corporate earnings

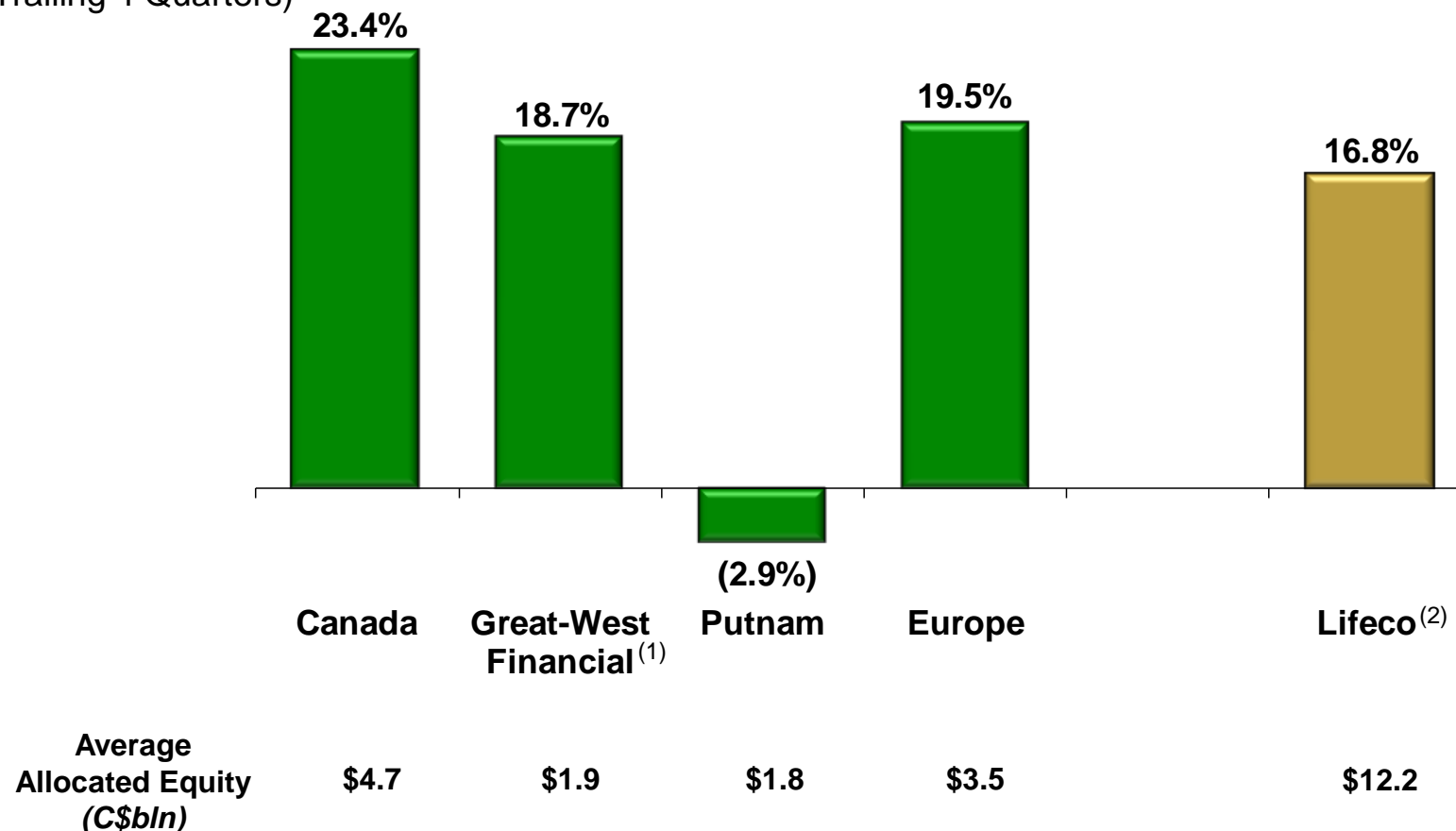
Constant Currency ⁽¹⁾

Operating Earnings	\$488	\$522	\$494	\$520	\$522
Operating Earnings per Share	\$0.512	\$0.550	\$0.520	\$0.547	\$0.548

1) Translated to Canadian dollars at Q2/12 FX rates (\$US = 1.01, £ = 1.60, € = 1.30)

Great-West Lifeco - Return on Equity - Operating Earnings

(Trailing 4 Quarters)



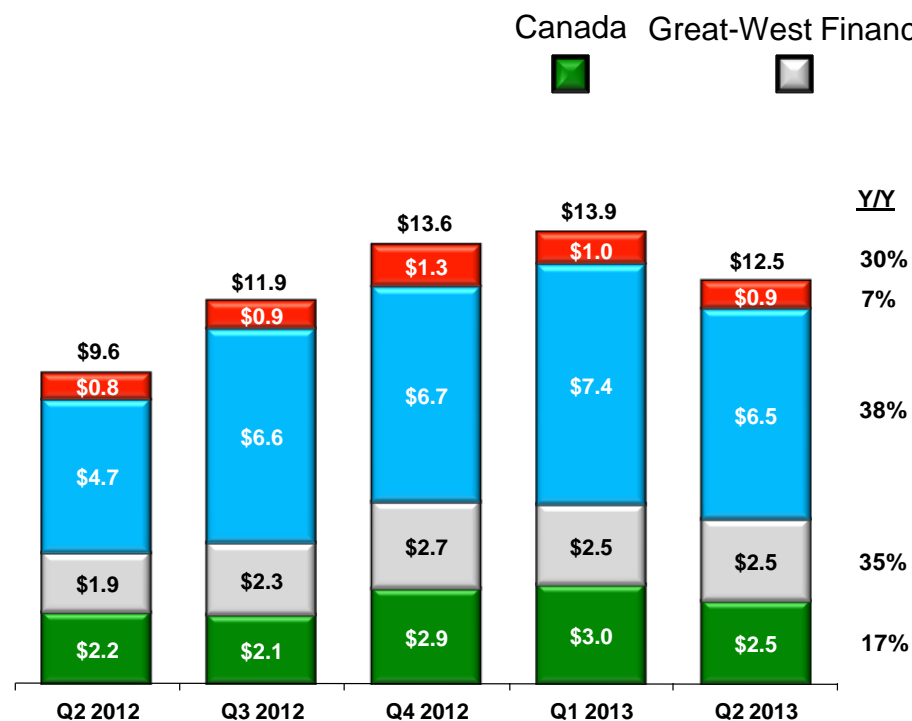
(1) Great-West Financial includes U.S. Corporate

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

Great-West Lifeco

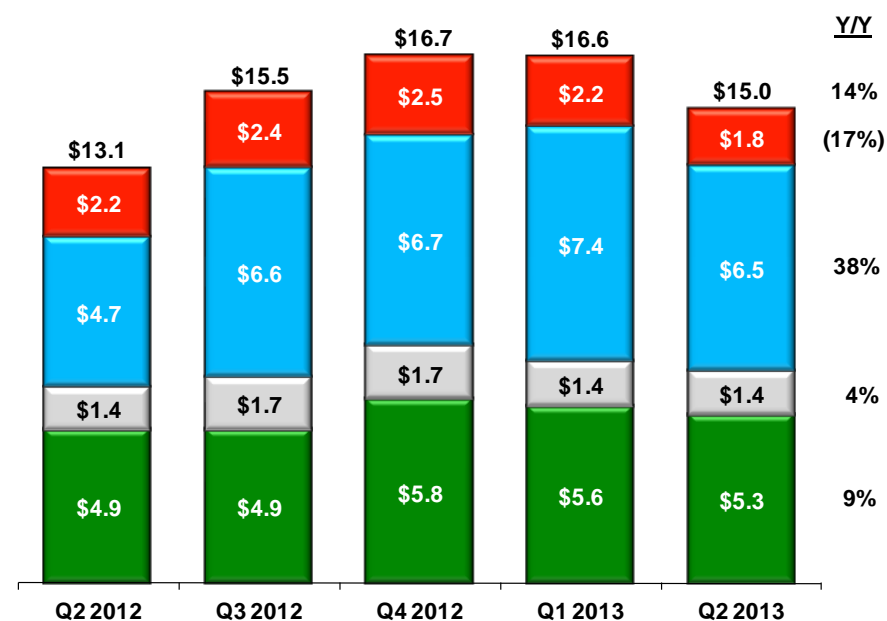
New Annualized Premiums (Sales)

(C\$bln)



Premiums & Deposits

(C\$bln)



Constant Currency

Y/Y

\$9.6 \$12.0 \$13.8 \$13.9 \$12.4 29%

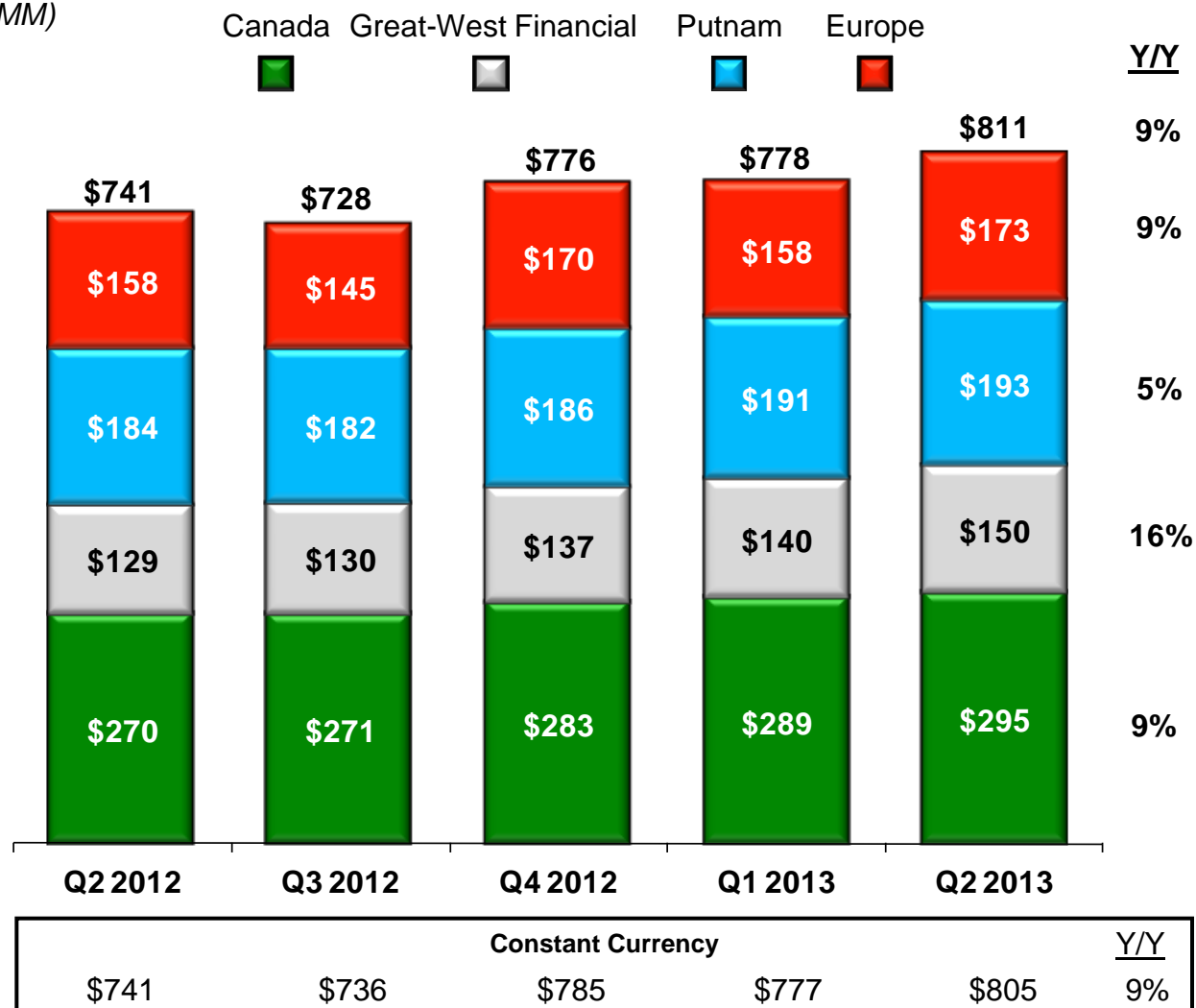
Constant Currency

Y/Y

\$13.1 \$15.6 \$16.9 \$16.7 \$14.9 14%

Great-West Lifeco – Fee Income

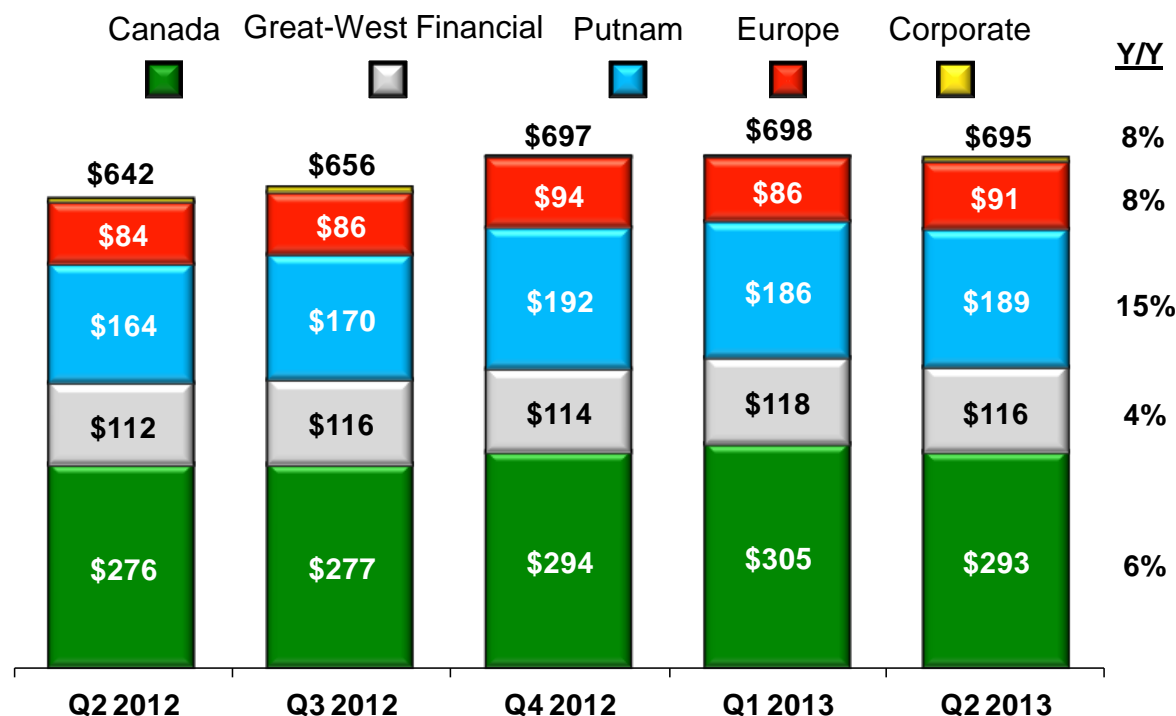
(C\$MM)



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

Great-West Lifeco – Operating Expenses

(C\$MM)



Constant Currency					Y/Y
\$642	\$661	\$704	\$698	\$691	8%

- Q2 2012 Putnam's expenses included a US\$8 million positive impact from fair value adjustments on share based compensation which was nil in Q2 2013
- Europe's expenses included \$4 million of Irish Life acquisition-related expenses in Q1 2013 and \$7 million in Q2 2013

Note: In Q1 2013, 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.

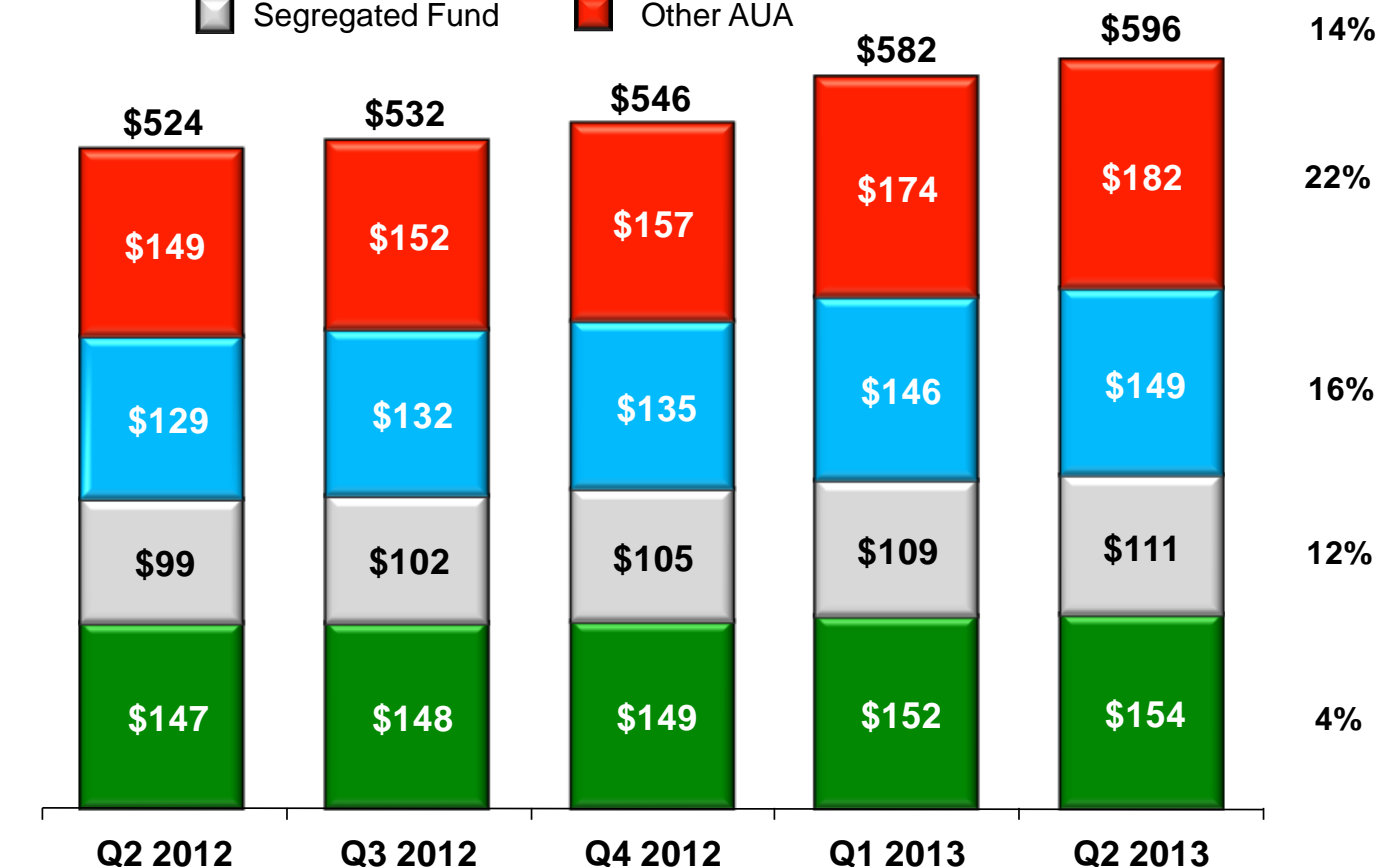
Note: Operating expenses exclude the impact of certain litigation provisions in Q4 2012

Great-West Lifeco – Total Assets under Administration

(C\$bln)



Y/Y



Constant Currency					<u>Y/Y</u>
\$524	\$547	\$556	\$584	\$584	11%



Invested Assets Update

Mark Corbett

Executive Vice President & Chief Investment Officer

Great-West Lifeco

In-Quarter Developments

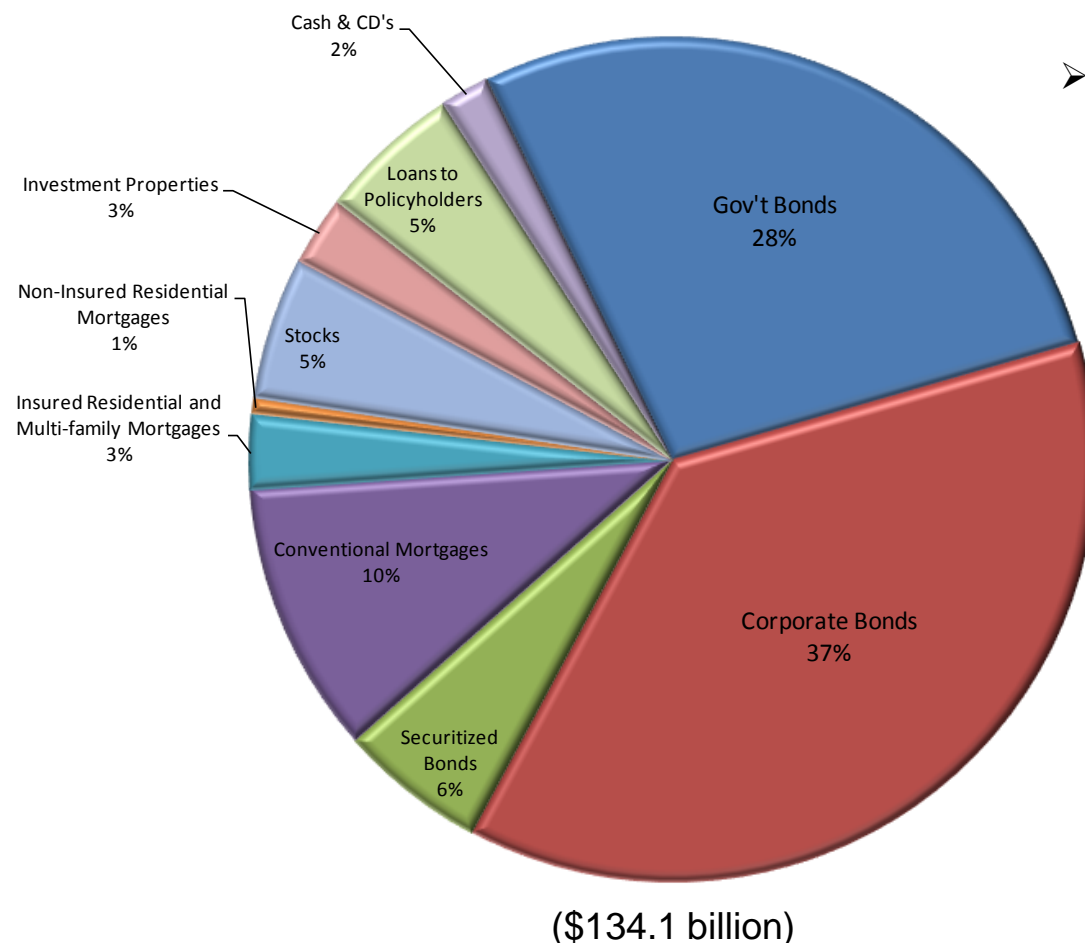
Credit Markets

- Credit experience related to impairments and rating changes resulted in a net charge of \$8 million in the quarter

Total Credit Impact on Shareholders' Net Earnings

(\$ millions)	Q2 2012	Q3 2012	Q4 2012	Total 2012	Q1 2013	Q2 2013	YTD 2013
Credit (impairments) / recoveries	3	21	(5)	27	3	3	6
Credit (downgrades) / upgrades	(13)	(7)	(32)	(47)	1	(11)	(10)
Total Impact	(10)	14	(37)	(20)	4	(8)	(4)

Invested Asset Composition*



- Invested assets at June 30, 2013 were \$134 billion
- Diversified high quality portfolio:
 - Bonds represent 71% 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. Portfolio is well seasoned, with minimal impairments; delinquencies > 90 days on non-impaired mortgages are negligible.
 - 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 benefit from long term lease contracts

*Includes certain funds held by ceding insurers (carrying value of \$9.1 billion).

Total Bonds by Issuer Domicile*

Issuer Domicile	% of Invested Assets	Issuer Domicile	Sector				% of Invested Assets	\$ (millions)
			Governments	Corporates	Banks	Financial Services		
U.S.	24%	Germany	0.7%	0.8%	0.0%	0.1%	1.6%	2,072
Canada	23%	France	0.2%	0.5%	0.3%	0.1%	1.1%	1,476
United Kingdom	17%	Netherlands	0.4%	0.1%	0.3%	0.1%	0.9%	1,042
Eurozone**	4%	Italy	0.0%	0.2%	0.1%	0.0%	0.3%	398
Other European	1%	Spain	0.0%	0.0%	0.2%	0.0%	0.2%	284
Supranationals	1%	Finland	0.1%	0.0%	0.0%	0.0%	0.1%	200
Other	1%	Austria	0.1%	0.0%	0.0%	0.0%	0.1%	193
Total	71%	Belgium	0.0%	0.1%	0.0%	0.0%	0.1%	131
		Ireland	0.0%	0.0%	0.0%	0.0%	0.0%	114
		Luxembourg	0.0%	0.0%	0.0%	0.0%	0.0%	71
		Portugal	0.0%	0.0%	0.0%	0.0%	0.0%	13
			1.5%	1.7%	0.9%	0.3%	4.4%	5,994
		Total \$ (millions)	2,051	2,319	1,248	376	5,994	

- Bonds with domicile of issuer in Canada, U.K. and U.S. represent 90% of total bonds or 64% of total Invested Assets.
- Holdings of bonds issued by Eurozone domiciled entities represents approximately 4.4% of total Invested Assets.

*Includes certain funds held by ceding insurers.

**Includes countries that have adopted the euro currency.

Government Bonds by Issuer Domicile*

(\$37.2 billion or 28% of Invested Assets)

Issuer Domicile	% of Invested Assets		Issuer Domicile	\$ (millions)	% of Invested Assets
Canada	12%		Germany	833	0.7%
United Kingdom	7%		France	309	0.2%
U.S.	6%		Netherlands	460	0.4%
Eurozone**	2%		Italy	17	0.0%
Supranationals	1%		Spain	16	0.0%
Other	0%		Finland	178	0.1%
Total	28%		Austria	162	0.1%
			Belgium	5	0.0%
			Ireland	49	0.0%
			Luxembourg	13	0.0%
			Portugal	9	0.0%
			Total	2,051	1.5%

- Bonds issued by the governments of Canada, U.K. and U.S represent 89% of total government bonds or 25% of total Invested Assets
- Holdings of bonds issued by governments of Eurozone countries represent approximately 1.5% of total Invested Assets.

*Includes certain funds held by ceding insurers.

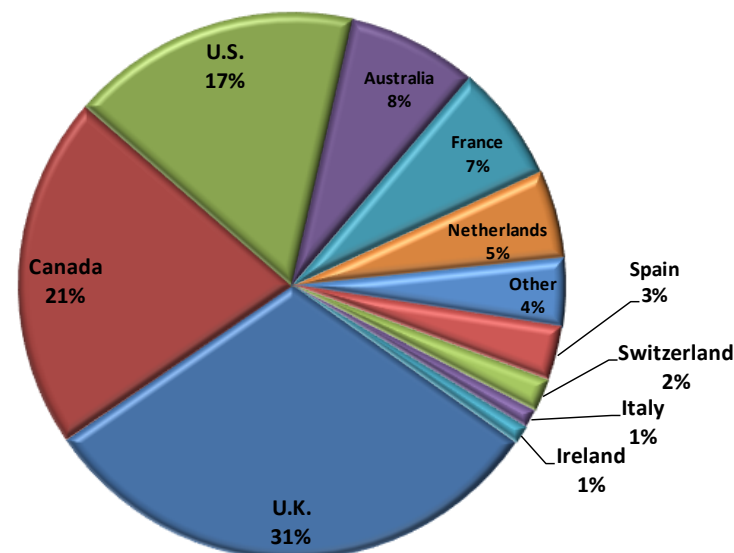
**Includes countries that have adopted the euro currency

Corporate and Securitized Bond Diversification*

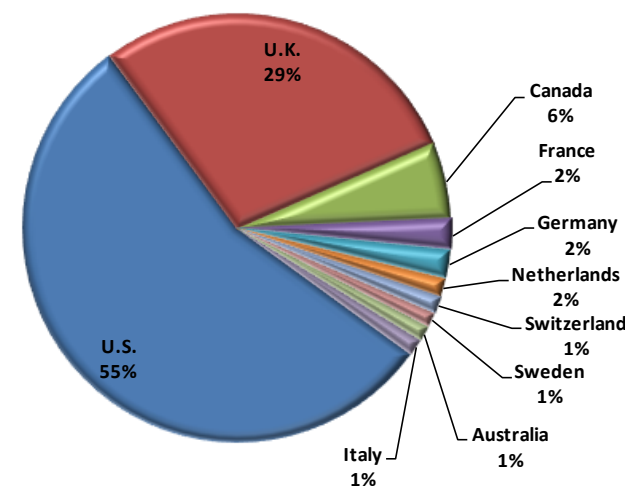
By Industrial Classification

	% of Invested Assets
Corporates	
Banks	5%
Consumer Products	5%
Electric Utilities	5%
Financial Services**	4%
Miscellaneous	3%
Real Estate	2%
Oil and Gas	2%
Other Utilities	2%
Other Transportation	2%
Air Transportation	1%
Utility Distributors	1%
Industrial Products	1%
Communications	1%
Basic Materials	1%
Pipelines	1%
Auto & Auto Parts	1%
Total Corporates	37%
Securitized	
CMBS	2%
RMBS	1%
Other ABS	3%
Total Securitized	6%
Total	43%

Banks by Issuer Domicile (\$6.5 billion or 5% of Invested Assets)



Financial Services by Issuer Domicile (\$5.3 billion or 4% of Invested Assets)



- No sectors are > 5% of Invested Assets

*Includes certain funds held by ceding insurers.

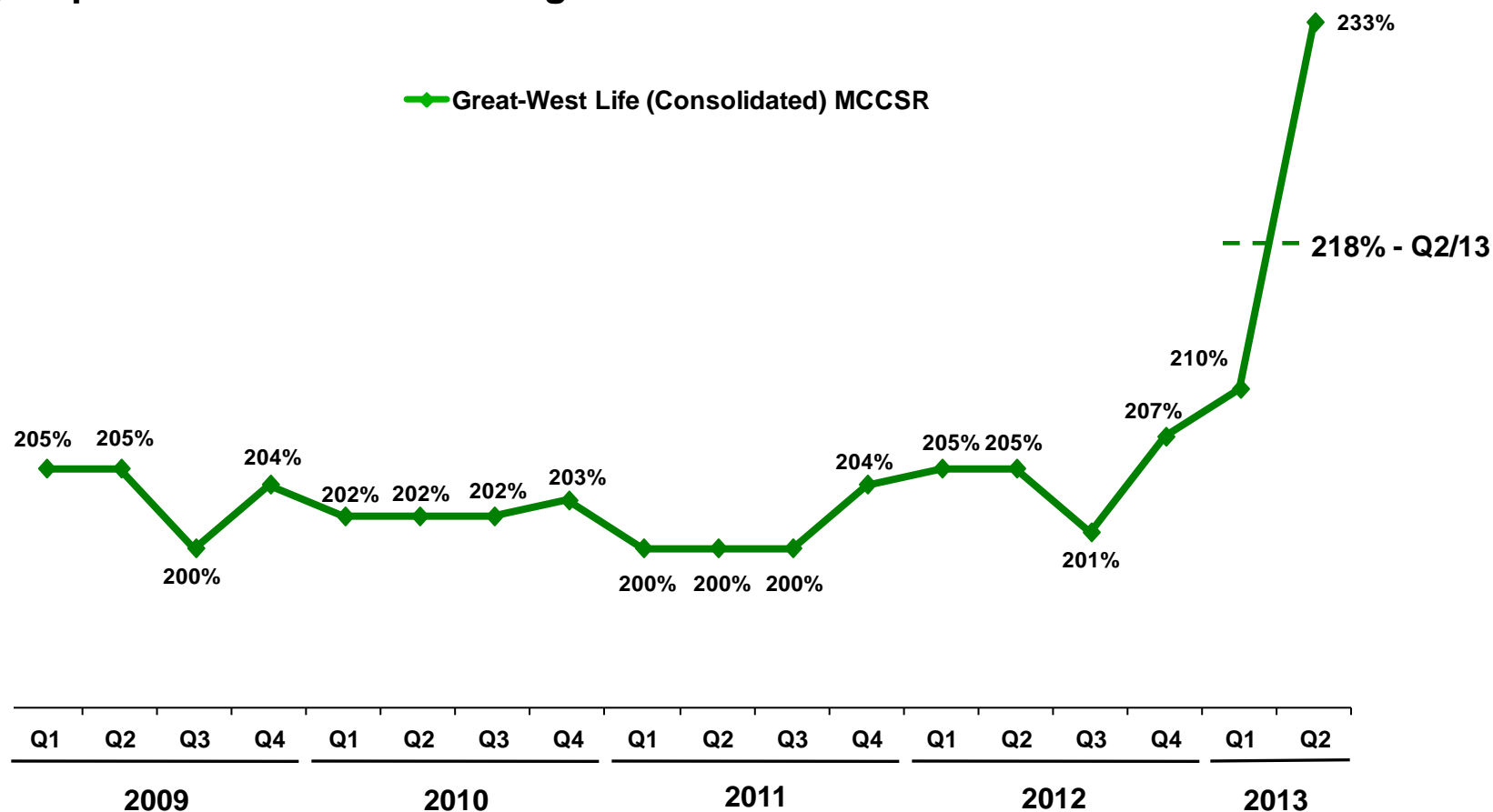
** Includes Insurance (2.1% of Invested Assets), Asset Managers (0.8% of Invested Assets), Leasing (0.5% of Invested Assets) & Investment Banks (0.2% of Invested Assets)



Capital & Other

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

Regulatory Capital Ratios Remain Strong



- MCCR of 233% for Great-West Life Assurance Company includes a 15 point impact of capital activity in advance of the closing of the Irish Life acquisition
- MCCR of 218%, excluding the impact of capital movements in advance of the close of the Irish Life acquisition, includes a 5 point impact of rising interest rates, and a 1 point impact of currency

Great-West Lifeco – Source of Earnings

(C\$MM)	For the three months ended June 30, 2013					Q2 2012
	Canada	U.S.	Europe	Corp	Total	Total
Expected profit on in-force business	292	91	149	(5)	527	437
Impact of new business	(6)	-	19	-	13	(6)
Experience gains and losses	60	8	62	(1)	129	164
Management actions and changes in assumptions	13	9	-	-	22	(82)
Other	-	-	-	-	-	-
Earnings on surplus	17	20	(3)	(8)	26	108
Operating Earnings before tax	376	128	227	(14)	717	621
Taxes	(68)	(41)	(44)	3	(150)	(100)
Operating Earnings before non-controlling interests & preferred dividends	308	87	183	(11)	567	521
Non-controlling Interests & Preferred Dividends	(27)	-	(5)	-	(32)	(28)
Operating Earnings - Common Shareholders before adj. and Putnam	281	87	178	(11)	535	493
Putnam after-tax	-	(14)	-	-	(14)	(5)
Adjustments after-tax	-	-	-	-	-	-
Net Earnings - Common Shareholders	281	73	178	(11)	521	488

GREAT-WEST
LIFECO INC.

Canada

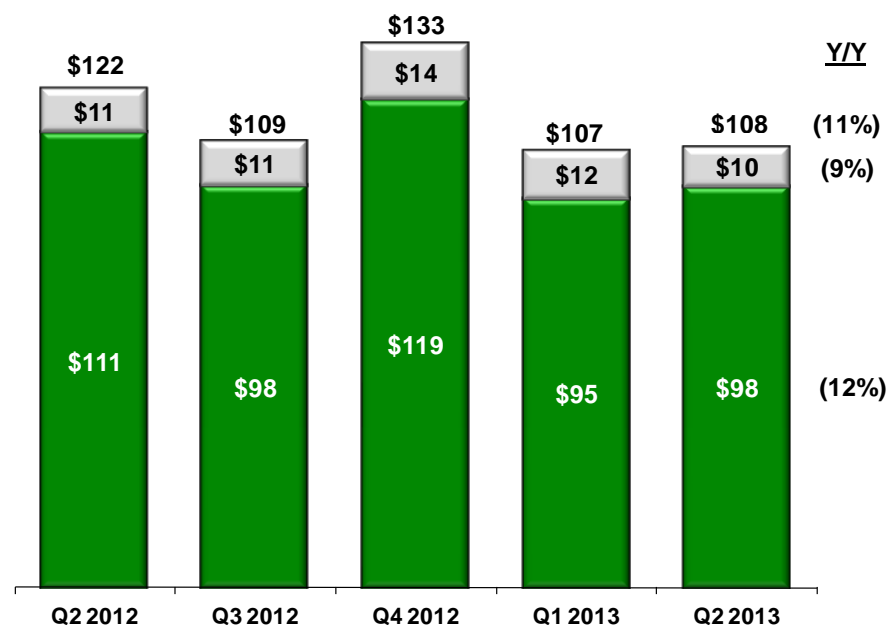


Dave Johnston
President & Chief Operating Officer
Canada

Canada – Individual Insurance

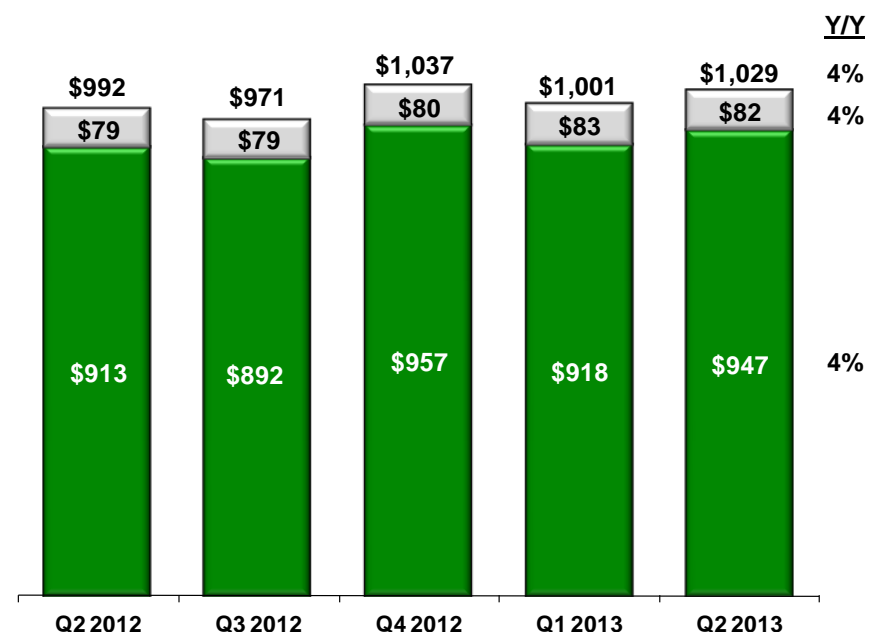
New Annualized Premiums (Sales)

(C\$MM)



Premiums & Deposits

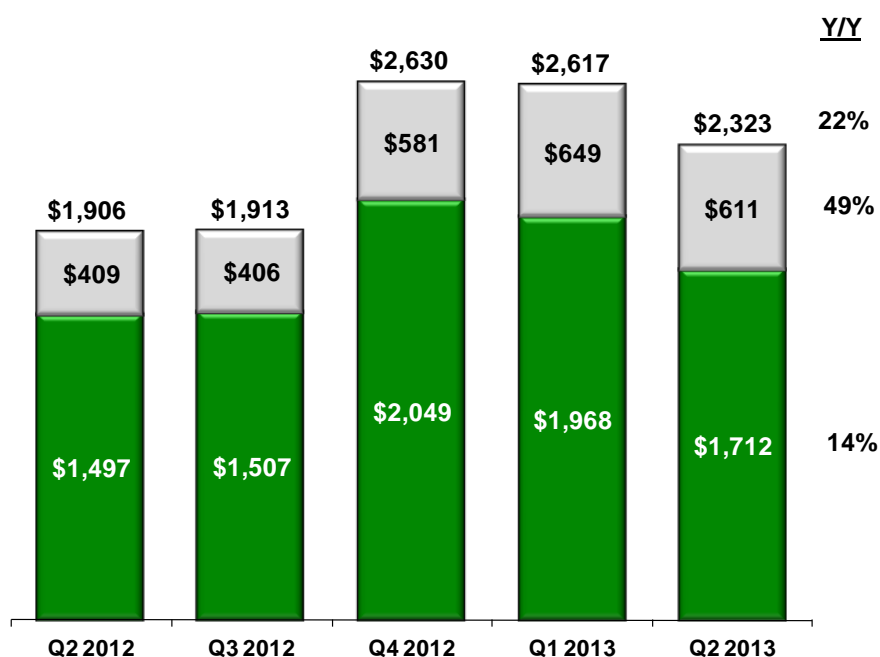
(C\$MM)



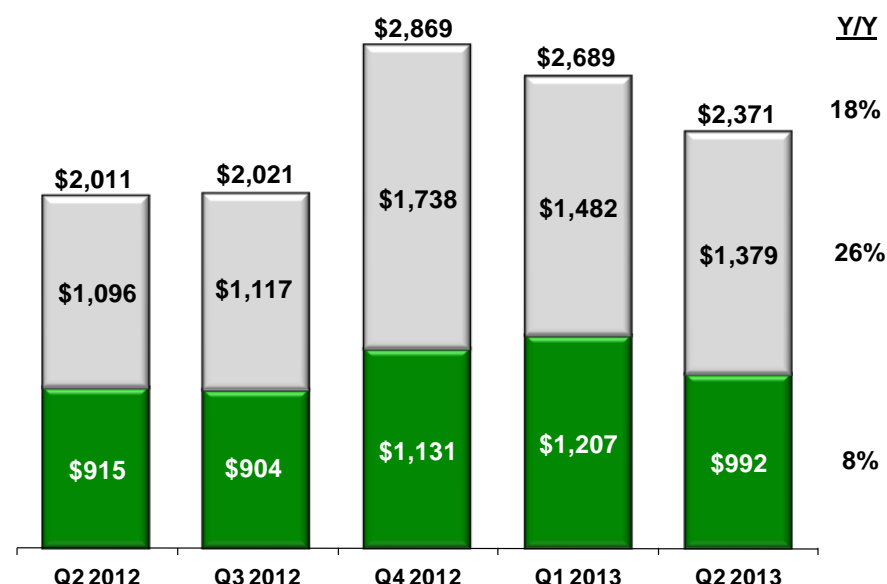
Note: Prior year sales (non-IFRS measure) results have been restated to conform with changes in methodology implemented in 2013 which improve consistency across our platforms and with industry standards for sales measurement

Canada – Wealth Management**New Annualized Premiums (Sales)**

(C\$MM)

 Individual Wealth Management  Group Retirement Services**Premiums & Deposits**

(C\$MM)



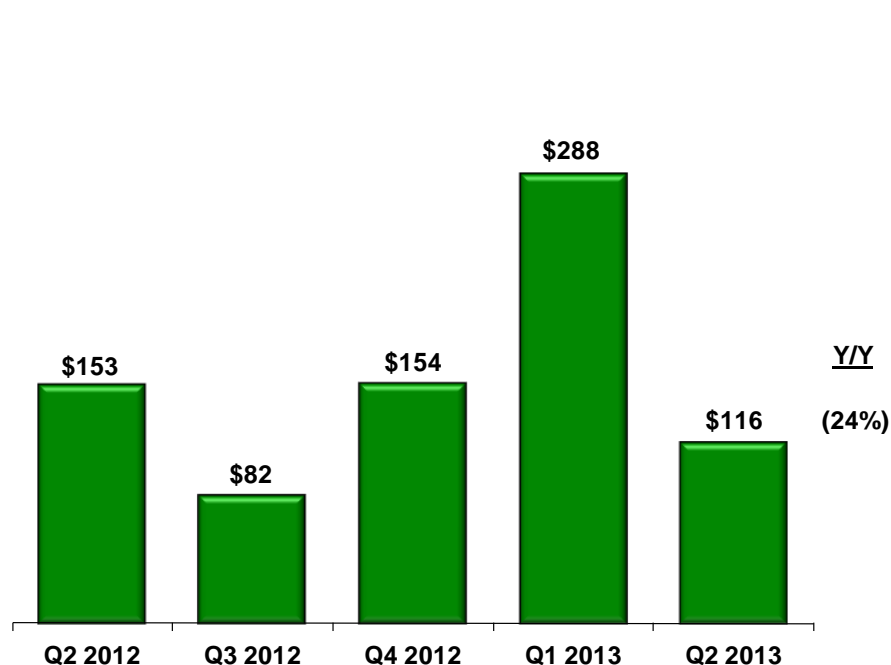
- Wealth Management had positive net cash flows of \$162 million in Quarter

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

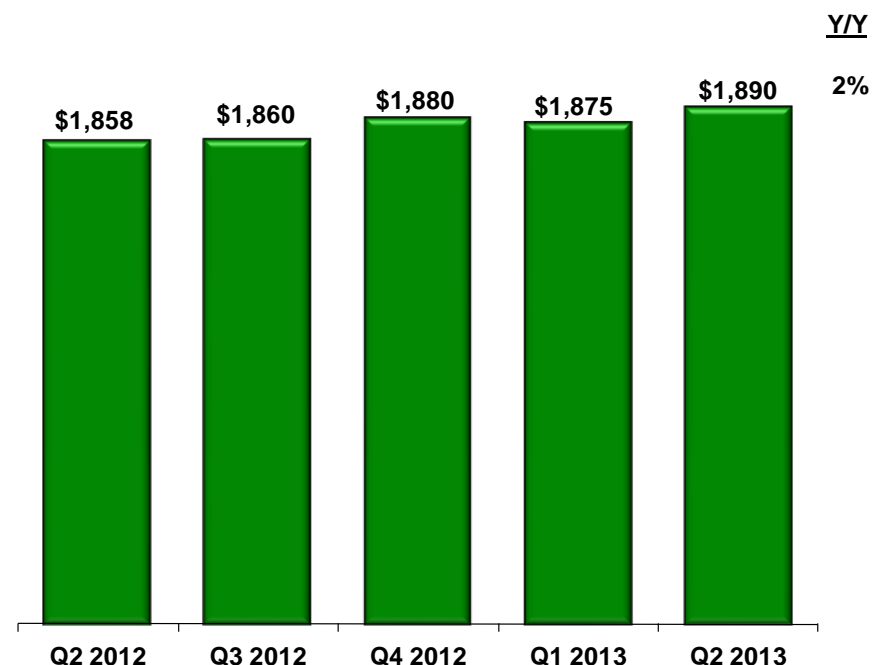
New Annualized Premiums (Sales)

(C\$MM)



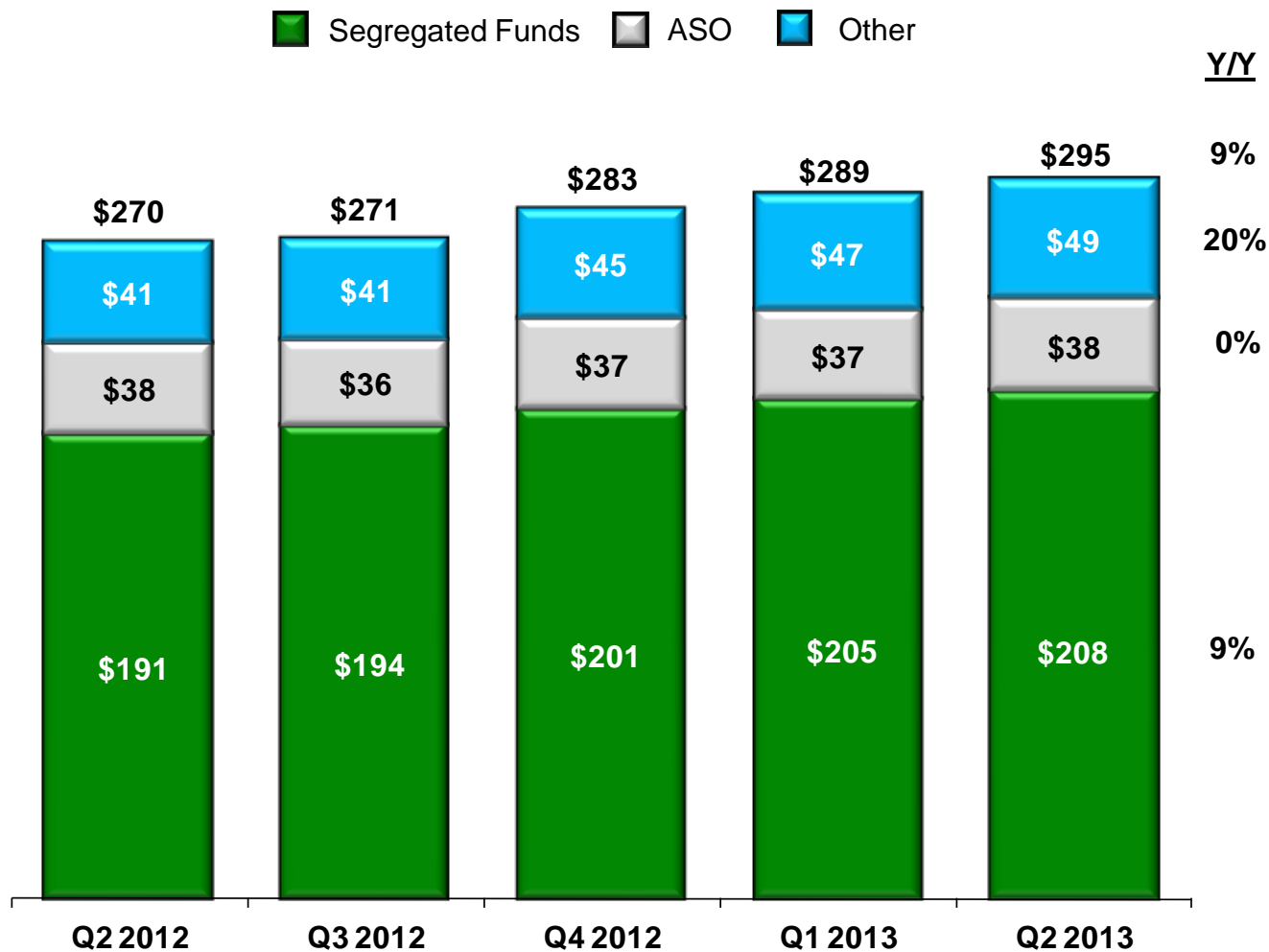
Premiums & Deposits

(C\$MM)



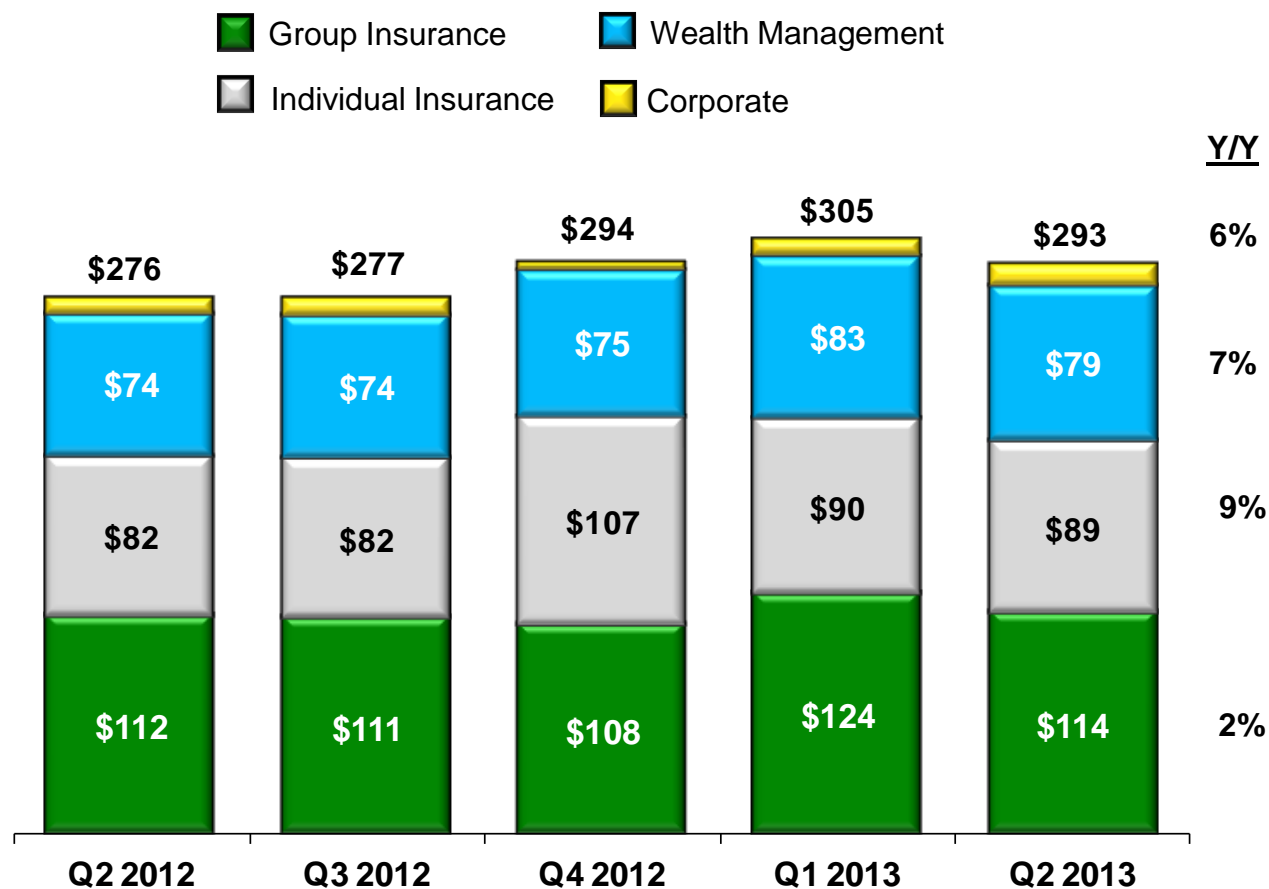
Canada – Fee Income

(C\$MM)



Canada – Operating Expenses

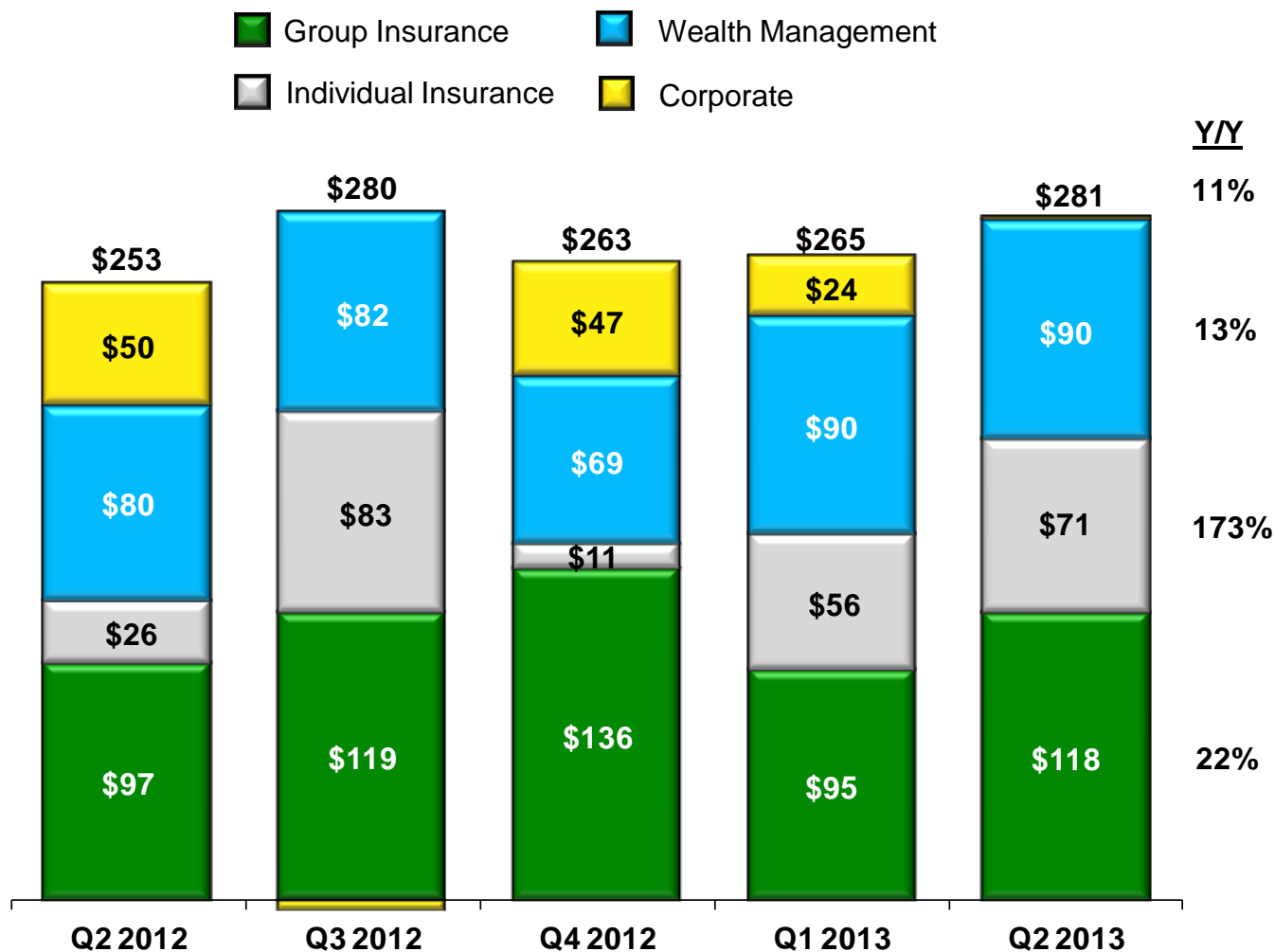
(C\$MM)



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

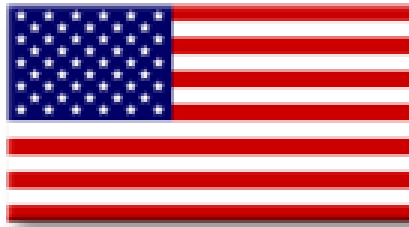
Canada – Operating Earnings

(C\$MM)





Great-West Financial



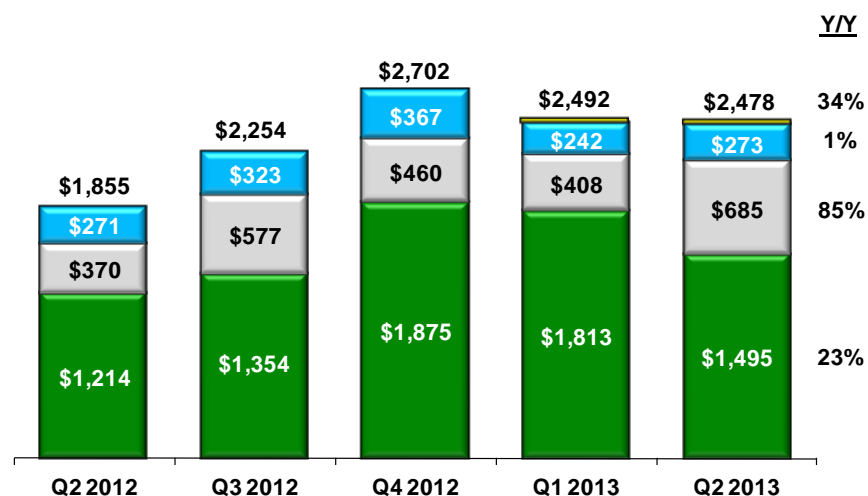
Mitchell T.G. Graye
President & Chief Executive Officer
Great-West Financial

Great-West Financial – Sales and Premiums & Deposits

Sales

(US\$MM)

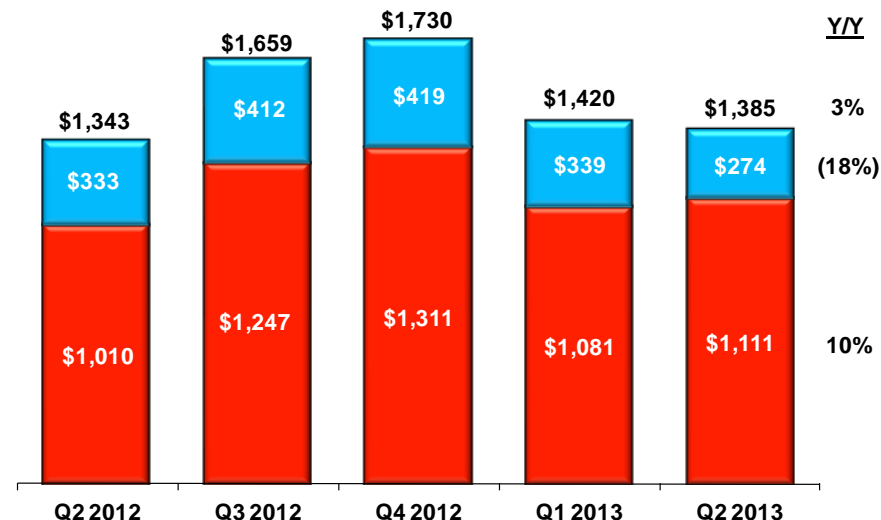
401(k) P/NP Individual Markets Institutional



Premiums & Deposits

(US\$MM)

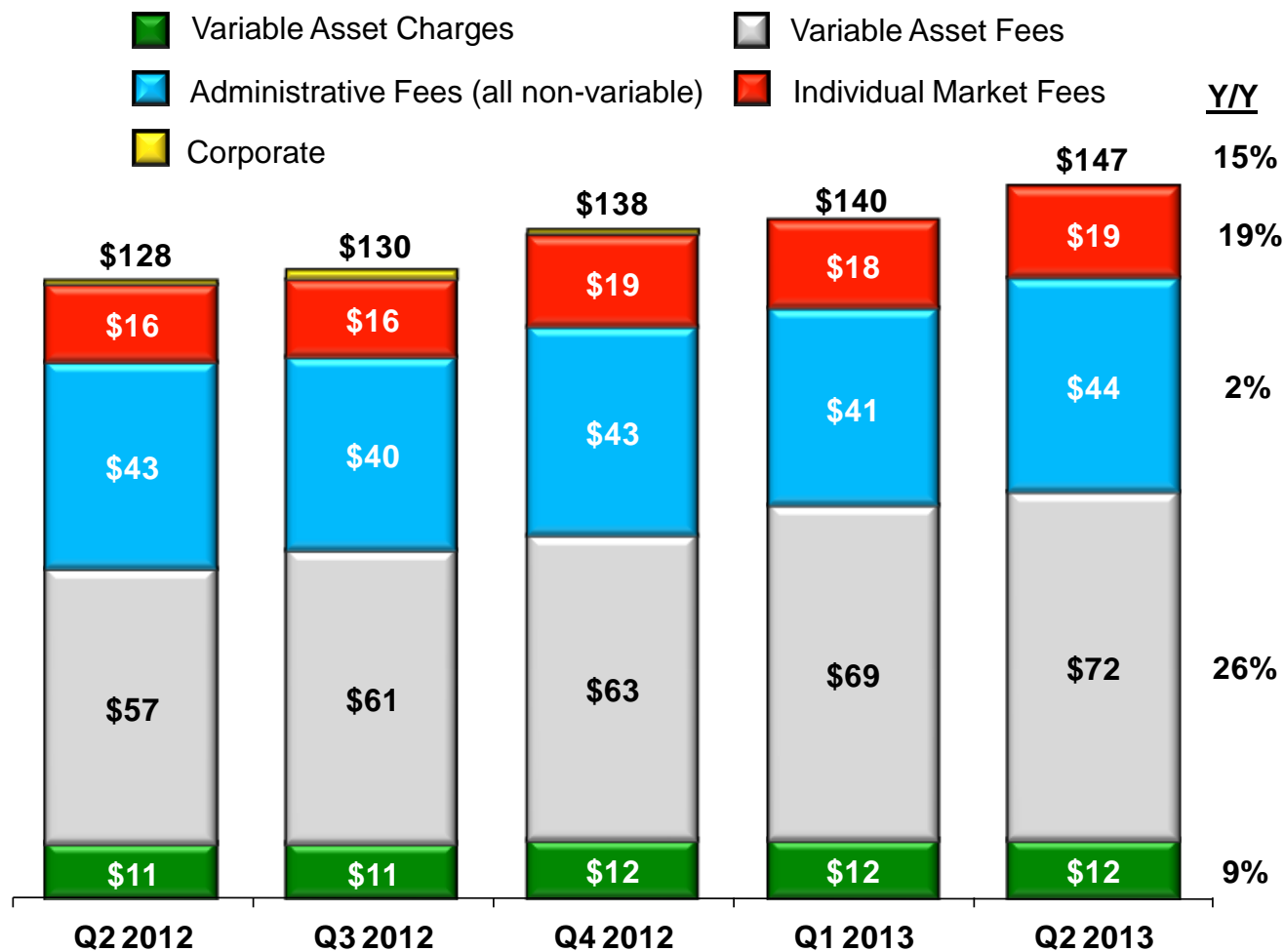
Retirement Services Individual Markets



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)

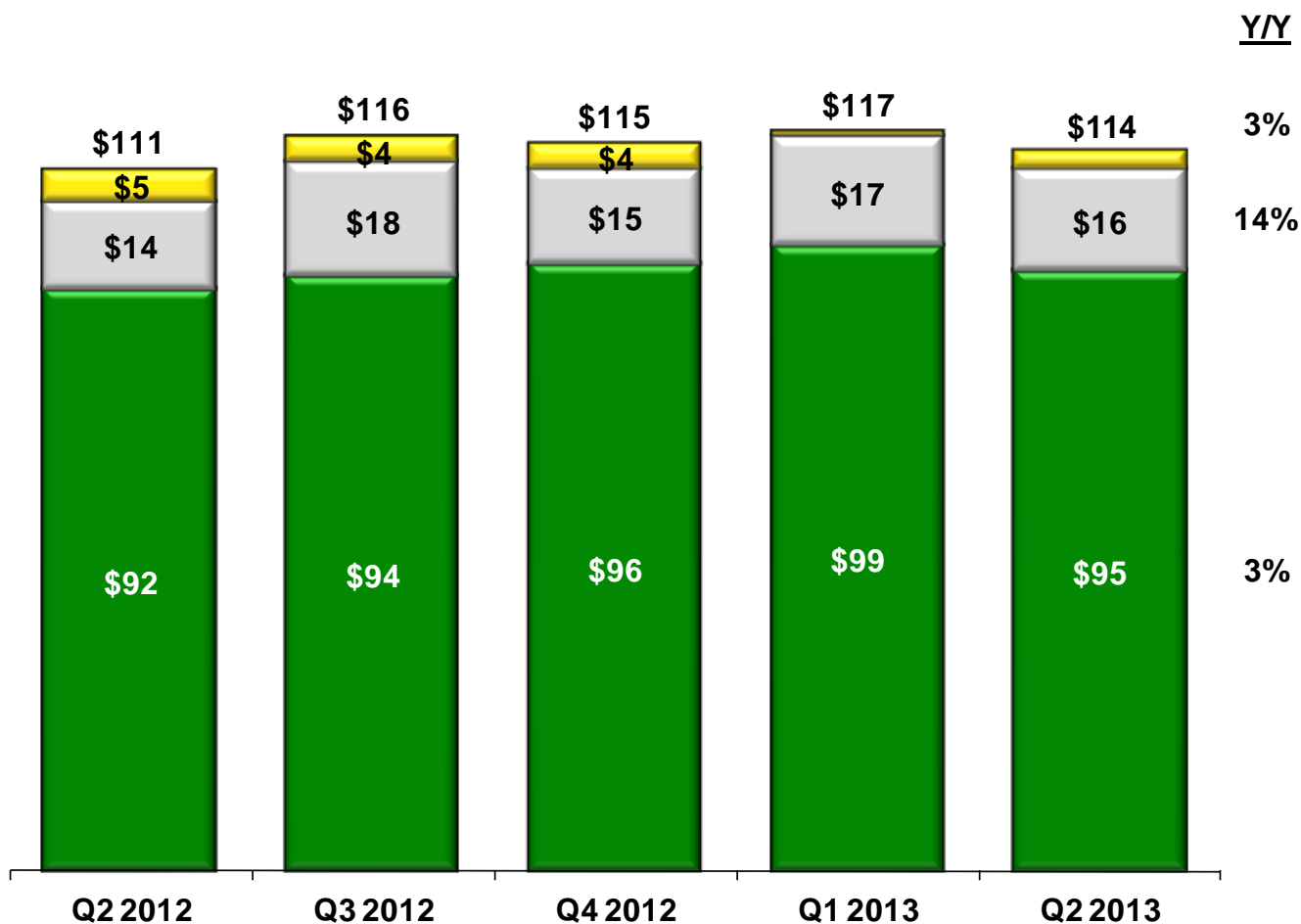


Note : Due to a reporting change in Q1 2013, Fee Income has been restated for all quarters in 2012

Great-West Financial – Operating Expenses

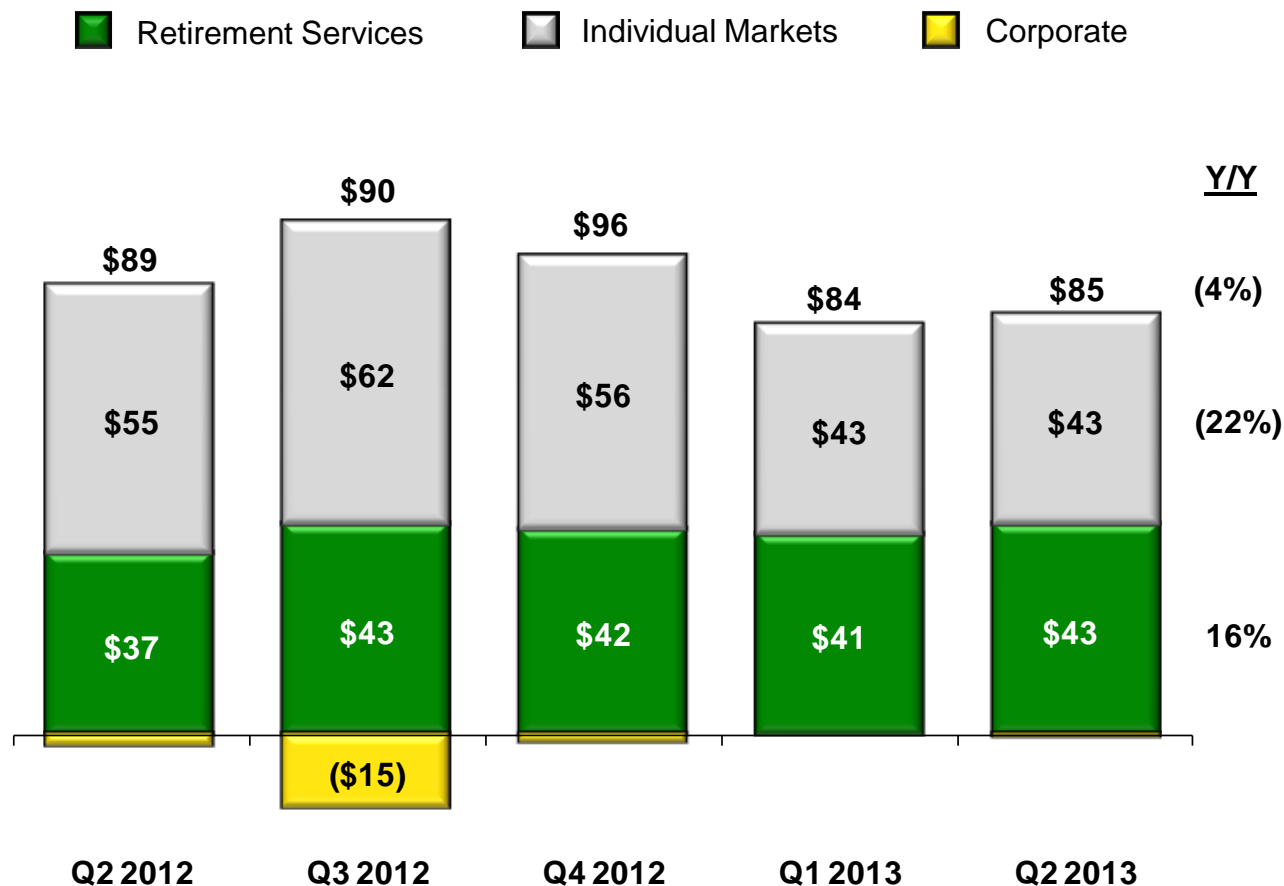
(US\$MM)

■ Retirement Services
 ■ Individual Markets
 ■ Corporate



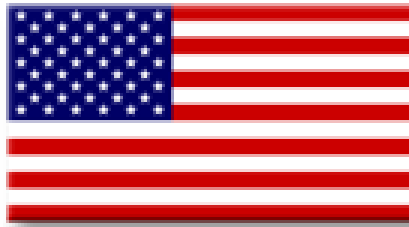
Great-West Financial - Operating Earnings

(US\$MM)





Putnam Investments



Robert Reynolds
President & Chief Executive Officer
Putnam Investments

Putnam - AUM & Flows

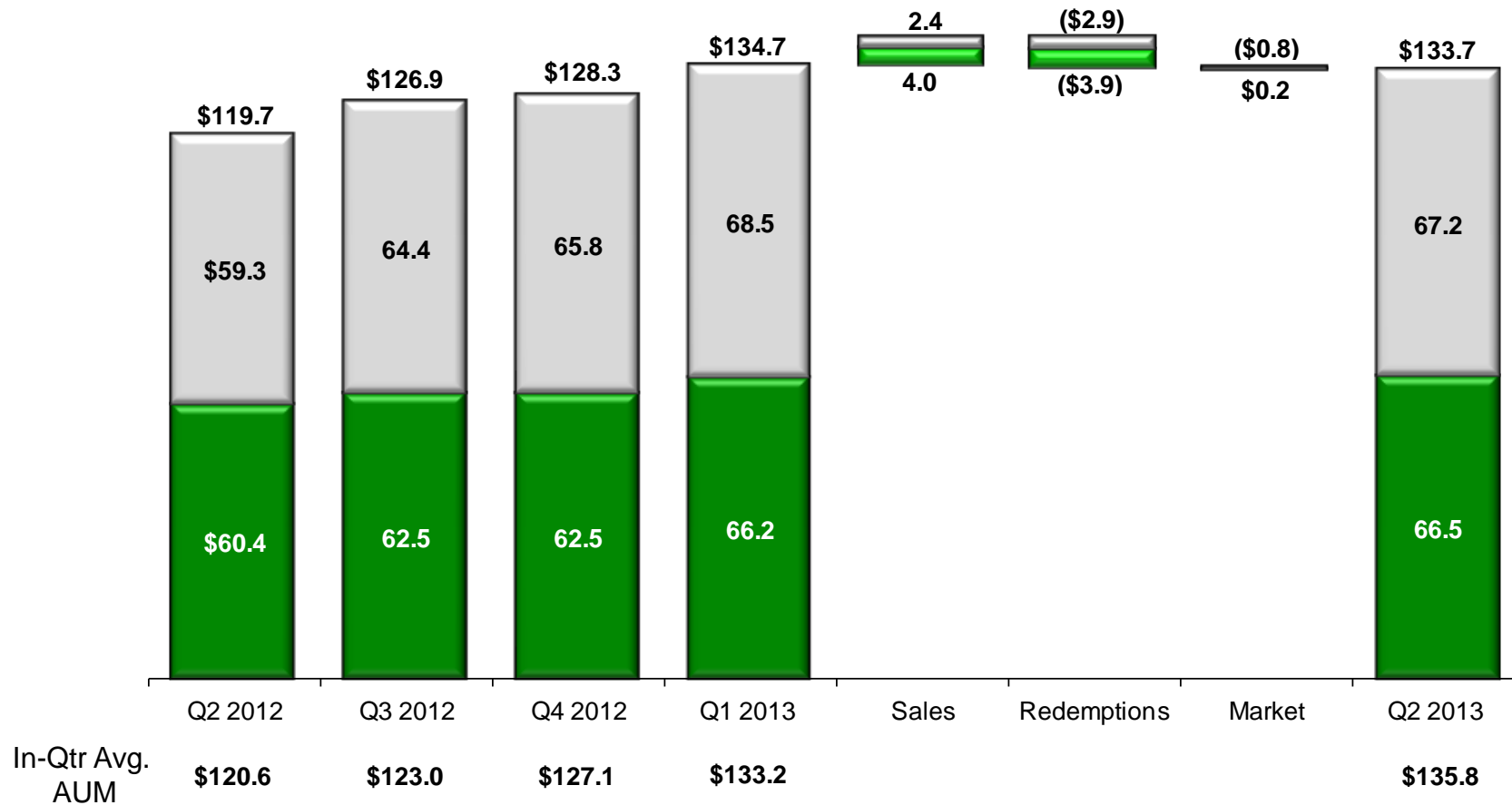
(US\$bln)



Mutual Funds

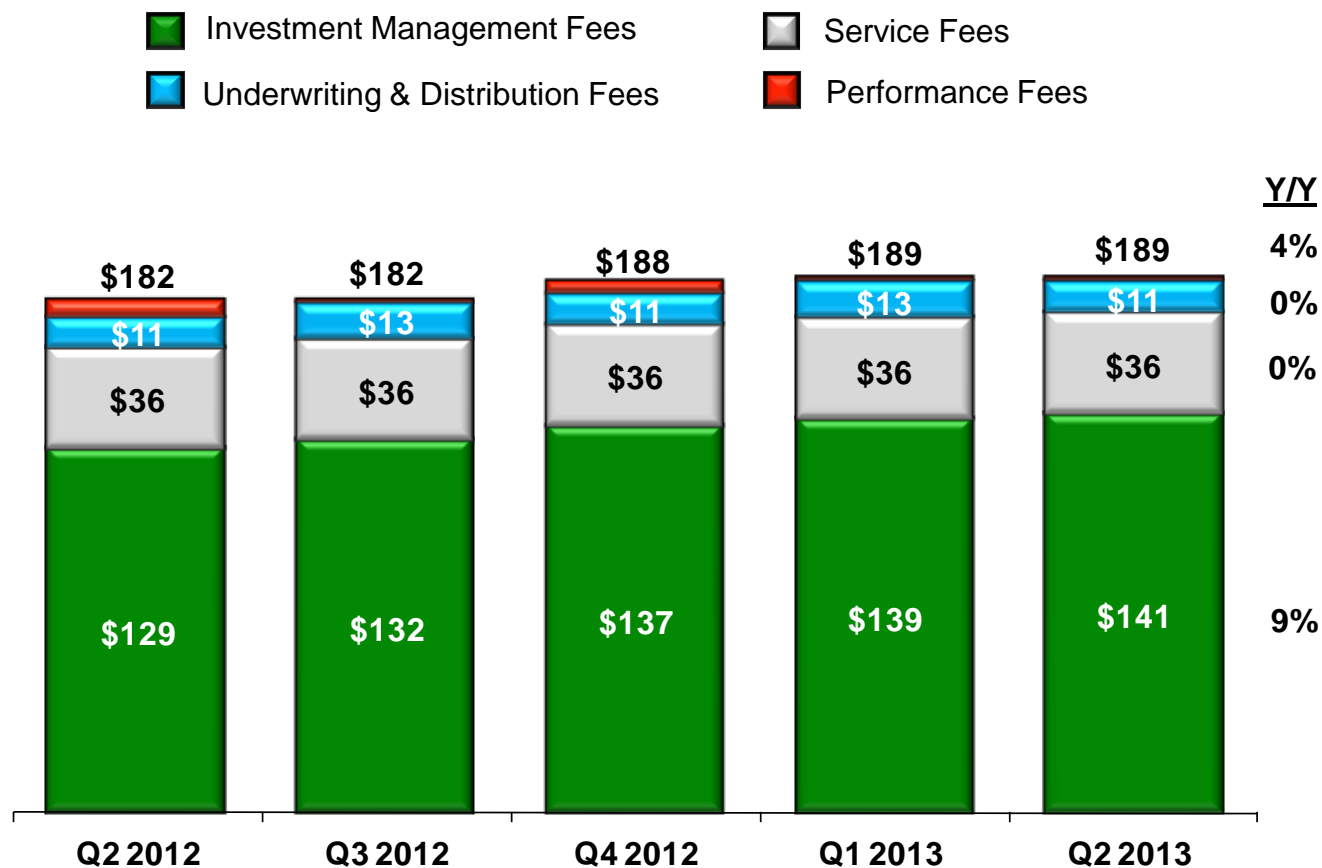


Institutional



Putnam - Fee Income

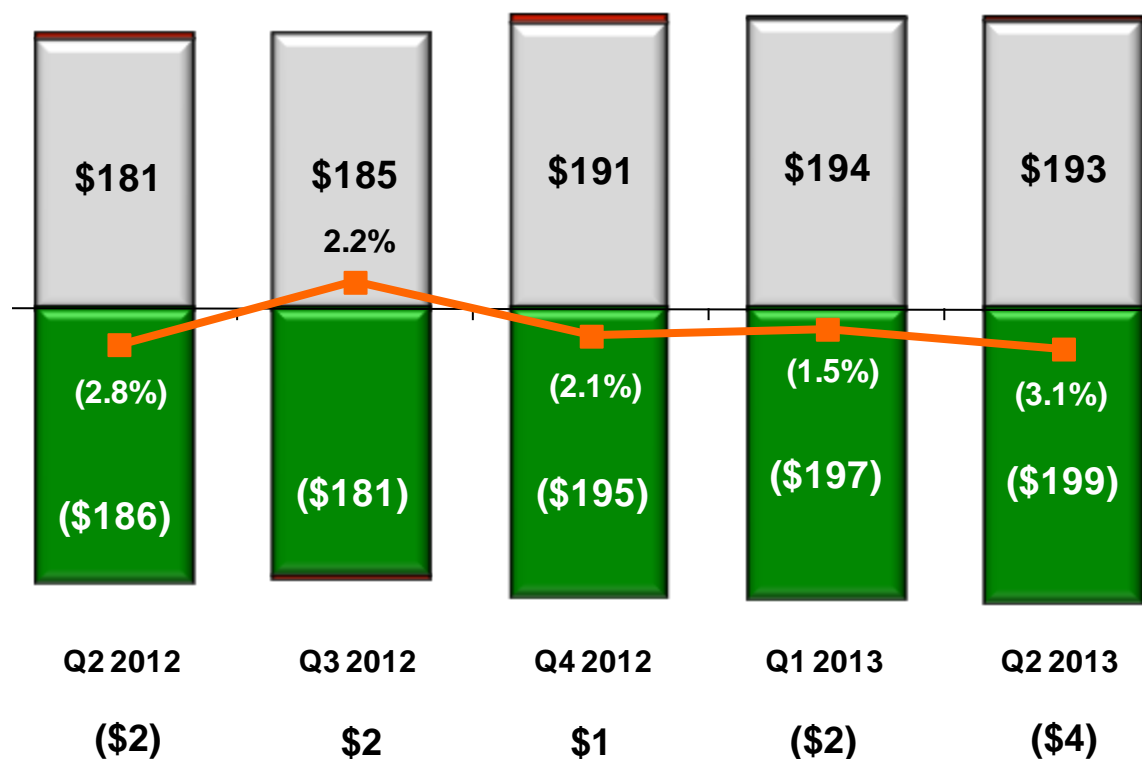
(US\$MM)



Putnam - Core Earnings

(US\$MM)

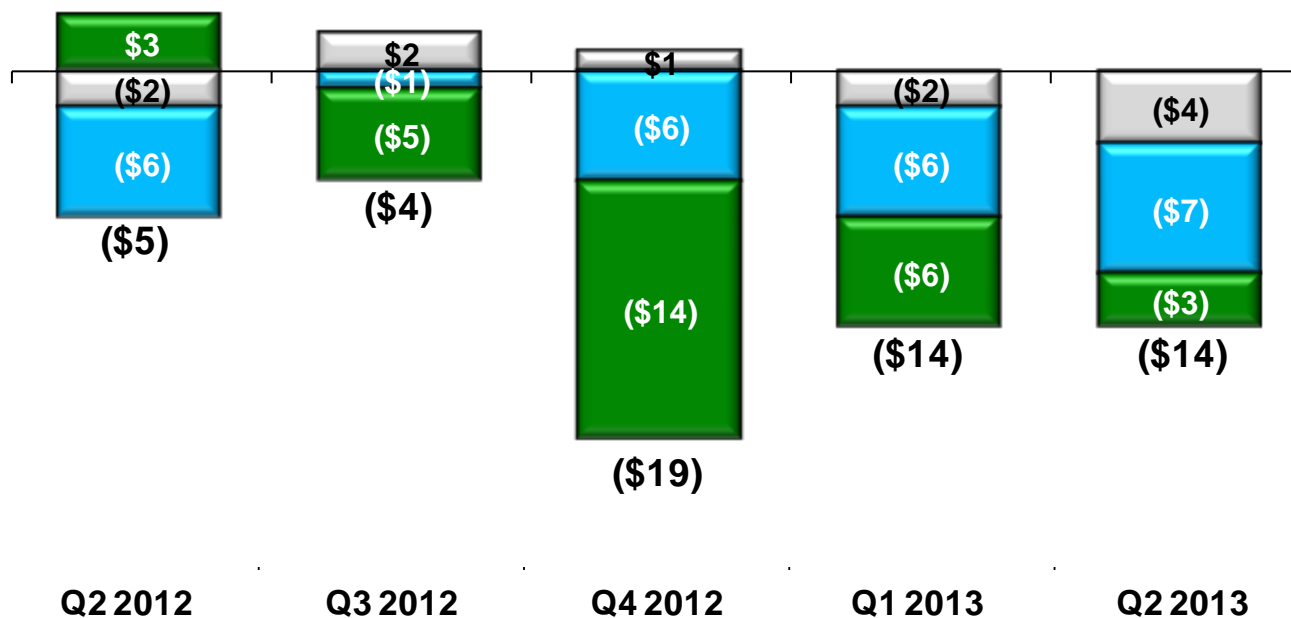
■ Expenses ■ Income Taxes
■ Fee & Net Inv Income — Operating Margin (Pre-tax)



Putnam - Contribution to Lifeco Earnings

(US\$MM)

Core Earnings (After-tax) Financing Expenses Other



GREAT-WEST LIFECO_{INC.}

Europe



Arshil Jamal

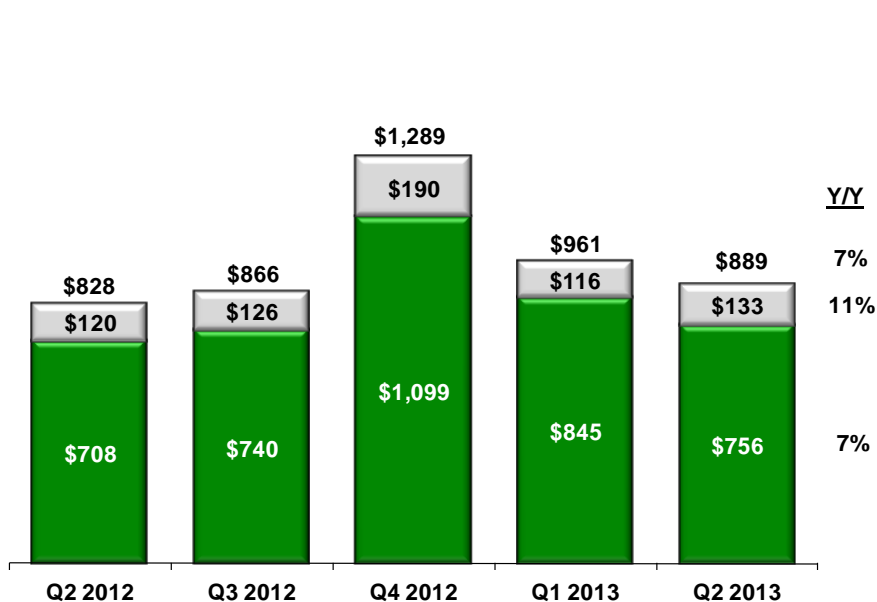
*President & Chief Operating Officer
Canada Life Capital Corporation*

Europe – Sales and Premiums & Deposits

Sales

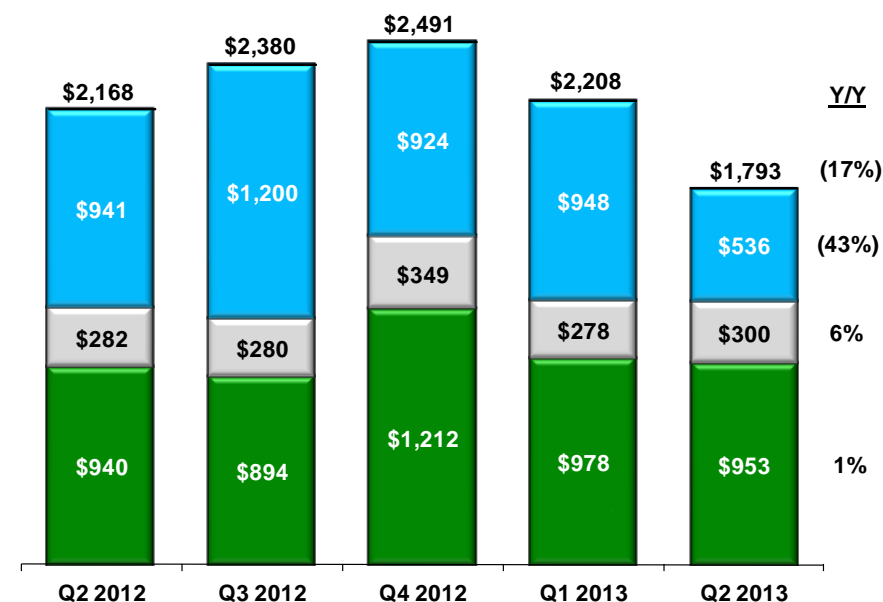
(C\$MM)

■ UK/Isle of Man ■ Ireland/Germany ■ Reinsurance



Premiums & Deposits

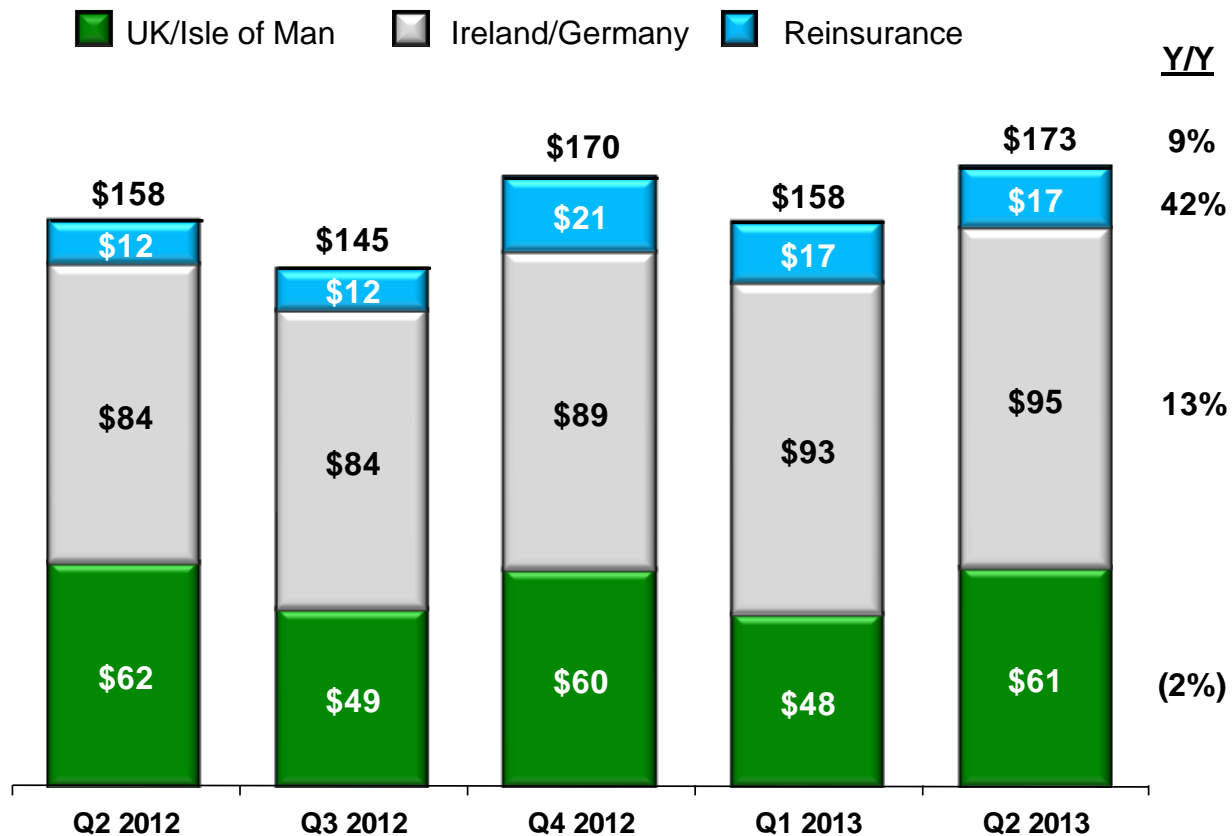
(C\$MM)



Note: Consolidated totals includes Europe corporate

Europe – Fee Income

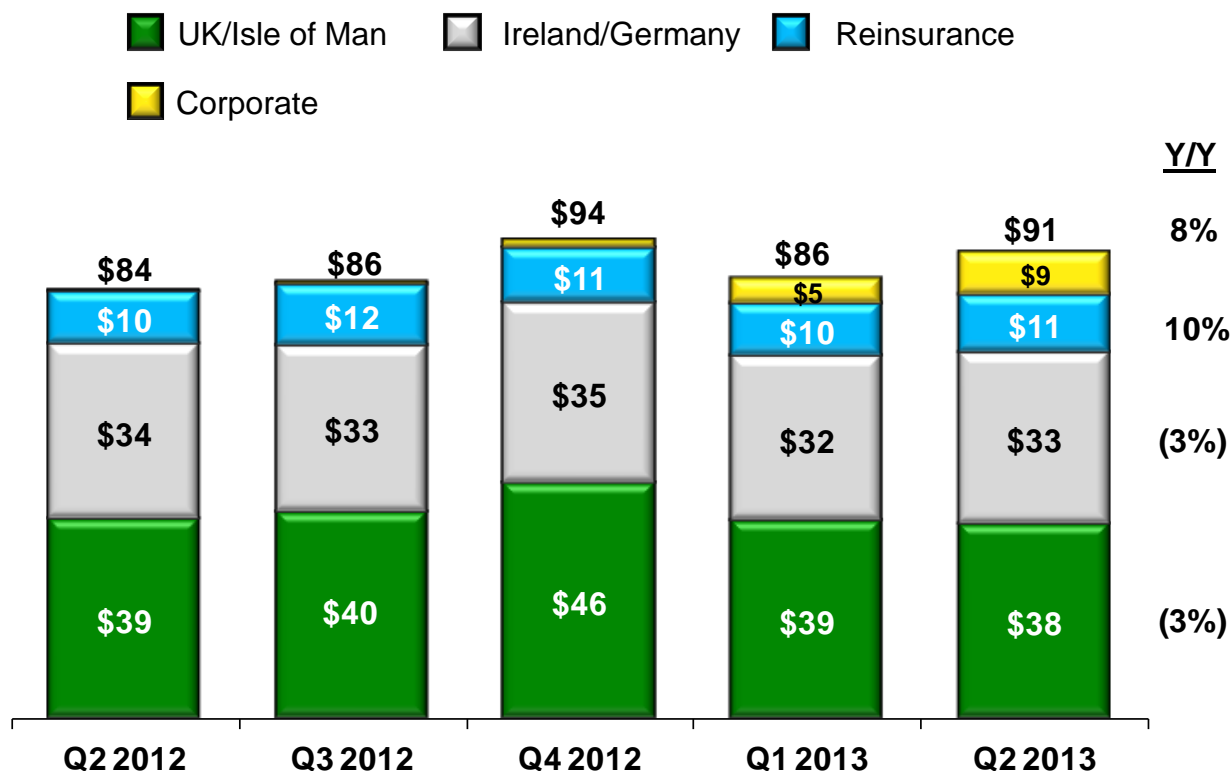
(C\$MM)



Note: Consolidated totals includes Europe corporate

Europe – Operating Expenses

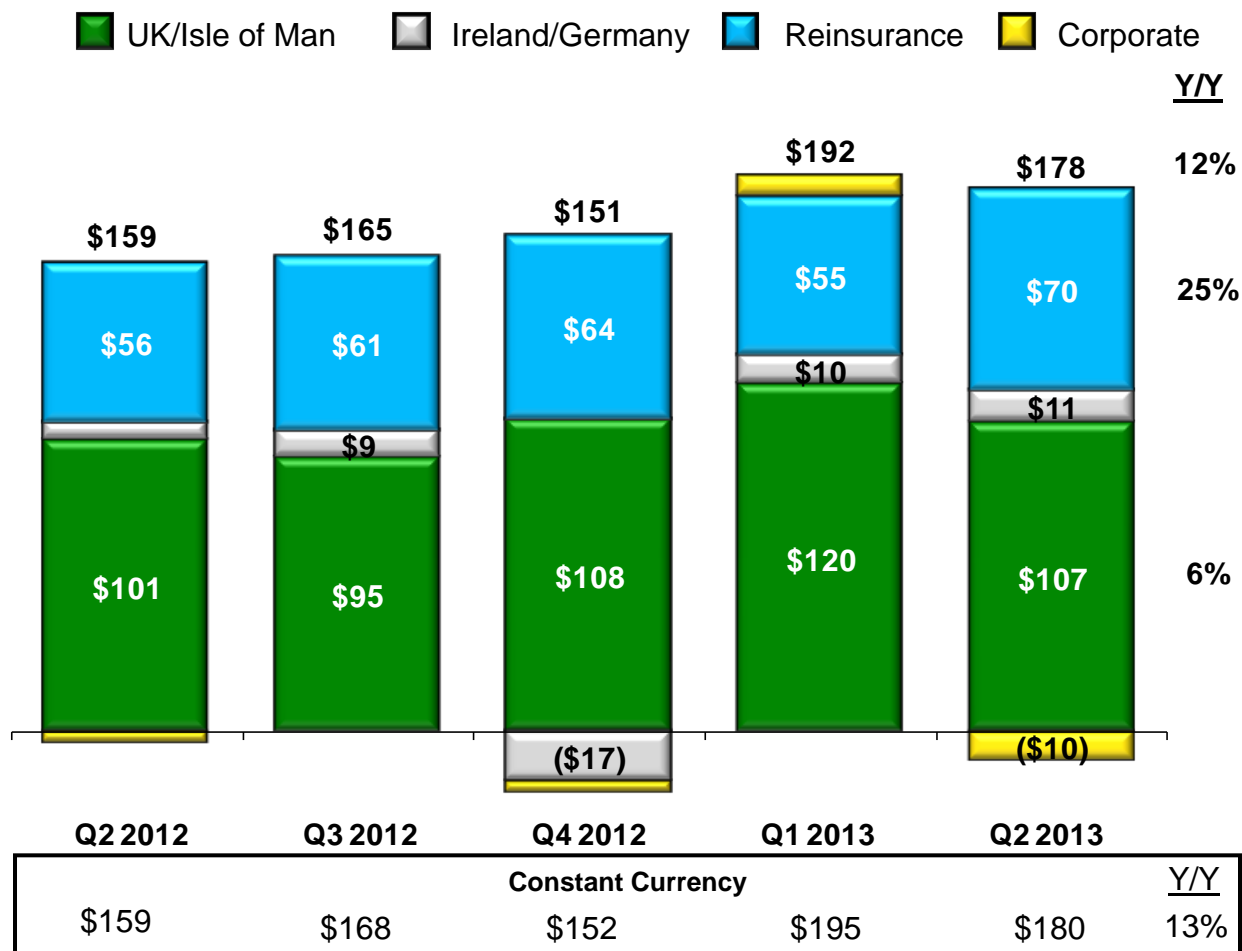
(C\$MM)



Note: Corporate expense includes \$4 million of Irish Life acquisition-related expenses in Q1 2013 and \$7 million in Q2 2013

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
Q2 2013	12,129	12,377	1,606	1,610	6,215	6,442
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

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⁾
Q2 2013	2.44%	1.35%	2.49%	1.33%	2.44%	1.40%
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%

(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\$	£	€
Q2 2013	1.02	1.57	1.34	1.05	1.60	1.37
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

Questions
