

GREAT-WEST
LIFECO INC.

Quarterly Information
For Analysts and Investors
Q4 2014

THE
Great-West Life
ASSURANCE  COMPANY



GREAT-WEST
FINANCIAL



CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This document contains some forward-looking statements about Great-West Lifeco Inc. (Lifeco or 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, taxes, inflation, information systems, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, 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, investment values, payments required under investment products, reinsurance, 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 document 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 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.



Overview

Paul Mahon

President & Chief Executive Officer
Great-West Lifeco, Great-West Life, London Life, Canada Life



Dividend Increases by 6%

- Lifeco's common share dividend increased to \$0.3260 per share

Fourth Quarter Net Operating Earnings Up 34% Year Over Year

- Net operating earnings attributable to common shareholders increased by 34% to \$657 million, or \$0.658 per share, for the three months ended December 31, 2014 (from \$491 million or \$0.491 in Q4 2013). Net operating earnings in Q4 2013 excluded a \$226 million release of litigation provision
 - Fourth quarter 2014 net earnings included \$9 million of restructuring costs related to the integration of Irish Life and J.P. Morgan Retirement Plan Services, compared to Irish Life restructuring related costs of \$23 million in Q4 2013. Excluding these amounts, year over year earnings growth was 30%
- Strong earnings growth was driven by a 16% increase in fee income
- Expected profit on in-force business increased across all geographies, and by 10% overall
- Irish Life continued to generate strong earnings, contributing \$70 million to Lifeco's Q4 2014 earnings, its second strongest quarter since acquisition

Premiums and Deposits Up 4% Over Q4 2013

- Total premiums and deposits (P&D) this quarter reached \$24 billion
 - In Canada, P&D were higher by 9% driven by strong contributions from Wealth Management and Individual Insurance
 - In Great-West Financial's Individual Markets segment, P&D increased by 15% in US\$ terms driven by record sales in the quarter
- Total sales were \$21.6 billion in quarter, down 1% year over year, as strong results in Canada and Putnam were offset by lower contributions from Europe and Great-West Financial
 - Putnam generated US\$9.2 billion in sales, its strongest quarter since 2008

Assets Under Administration Grew by 40% from 2013

- At December 31, total AUA were \$1.063 trillion, up 40% year over year, and up \$41 billion in quarter
 - The increase from last year was driven by a combination of strong organic growth in all geographies, and a \$196 billion contribution from J.P. Morgan RPS at time of acquisition
 - Year over year organic growth was 19% in the US, 9% in Europe, and 8% in Canada

Strong Capital and Reduced Leverage Support Earnings Power

- In Q4 2014, Lifeco used excess regulatory capital to repay \$353 million (US\$304 million) of debt in its capital structure, which improved its financial leverage ratio to less than 30%, consistent with credit rating agencies' targets for Great-West Lifeco
- MCCR ratio of 224% for The Great-West Life Assurance Company at year end
- Holding company cash at quarter end was approximately \$0.7 billion
- Book value per share of \$16.80, up 11% year over year
- The Company renewed its normal course issuer bid on December 9, 2014, for one year, to purchase and cancel up to 8 million of its common shares

Organizational Developments

- On December 11, 2014 the Company announced that Bill Lovatt, Lifeco's CFO would be retiring mid 2015. Garry MacNicholas, currently EVP, Actuarial and Risk, will be appointed to the CFO role effective March 31, 2015
- In Q4, Grace Palombo joined Lifeco in the newly created role of Chief Human Resources Officer, to enhance the global and regional HR capabilities
- In January 2015, Jeffrey L. Gould became Head of Putnam Global Institutional Management business, which serves investors and clients in North America, Europe, Asia and Australia

2014: A Year of Strong and Profitable Growth

- Industry leading ROE of 15.7% at December 31, 2014
- Reported net earnings of \$2,546 million in 2014, or \$2.55 per common share. Excluding the impact of the litigation recovery in 2013, operating earnings increased by 24% in 2014
- 2014 earnings included \$30 million of acquisition and restructuring costs related to the integration of Irish Life and J.P. Morgan Retirement Plan Services, compared to \$97 million of Irish Life acquisition and restructuring related costs included in 2013 earnings. Excluding these non-recurring items, adjusted operating earnings in 2014 were \$2,576 million, up 20% from 2013
- Quality of recurring earnings is demonstrated in Lifeco's Source of Earnings by expected profit on in-force business of \$2.6 billion in 2014, up 18% from \$2.2 billion in 2013

Successful Acquisitions and Strong Execution Contributed to Growth

- Earnings in 2014 were driven by a \$261 million contribution from Irish Life, continued strong investment performance and robust growth in underlying core earnings
- The Irish Life integration continued through 2014, with annualized synergies of €40.8 million achieved
 - Lifeco expects to exceed the original €40 million synergy target by at least 10%
 - While focused on integration, Irish Life exceeded their sales targets and increased market share
- Following the J.P. Morgan Retirement Plan Services (RPS) large-market recordkeeping business acquisition, Lifeco launched a new combined brand, Empower Retirement
 - As part of the Empower Retirement initiative to consolidate the United States retirement services business units under a single brand, Putnam transitioned its full service retirement business to Great-West Financial effective January 1, 2015. During 2014, Putnam's full service retirement business recorded a net loss of approximately US\$20 million (after-tax) primarily due to business development expenses to build the platform for future growth

2015 Will Be a Year of Continued Investment in Future Growth and Value

- Looking forward to 2015, Lifeco will be making a significant investment in new products and technology to continue delivering long-term value to customers and shareholders
 - In Europe, changes in U.K. pension legislation will allow greater flexibility for individuals with defined contribution pensions to access their savings in retirement, which is expected to result in continued lower levels of payout annuity product sales. The Company is investing in a wide range of innovative retirement income products in response to these changes
 - In the U.S., a new combined brand - Empower Retirement - was launched in 2014 to consolidate and support the retirement services businesses of Great-West Financial, the acquired J.P. Morgan Retirement Plan Services, and Putnam Investments. Significant investments are being made to unite these three well-established retirement businesses and build on their respective strengths to create and grow Empower Retirement
 - In Canada, increased investment in digital technology, product development and service enhancements will support a multi-year organic growth strategy as well as the Company's purpose; to improve the financial, mental and physical wellbeing of Canadians



Lifeco Summary of Results

William W. Lovatt

Executive Vice President & Chief Financial Officer
Great-West Lifeco



Adjusted Operating Earnings

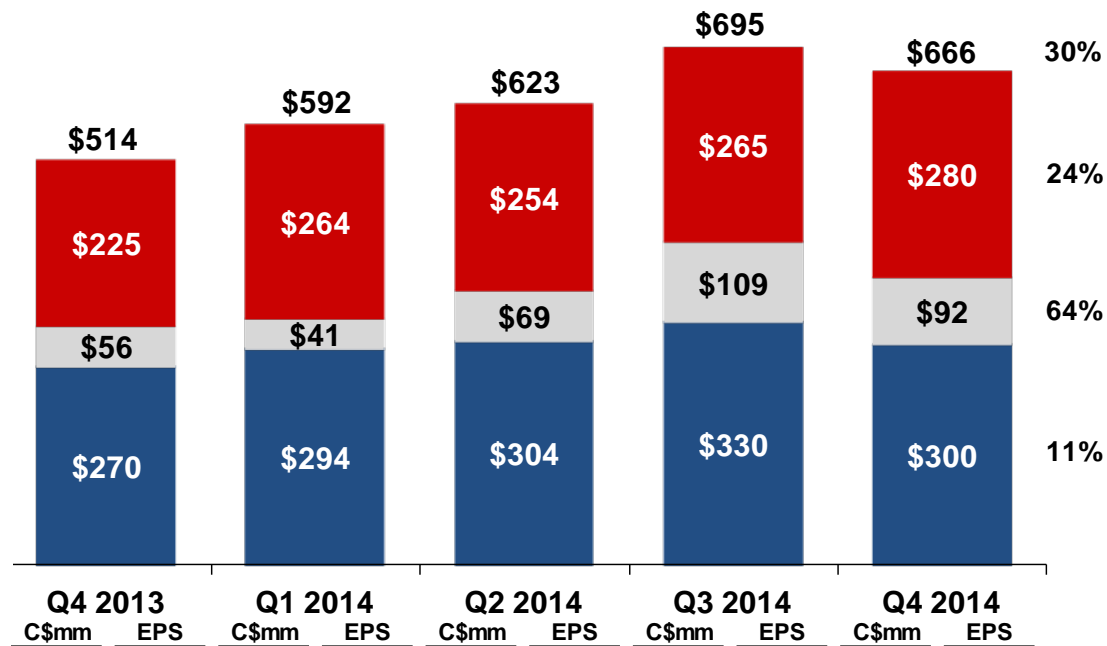
(C\$MM)

Quarterly totals include corporate operating earnings

Y/Y

Except earnings per share

- Europe
- U.S.
- Canada

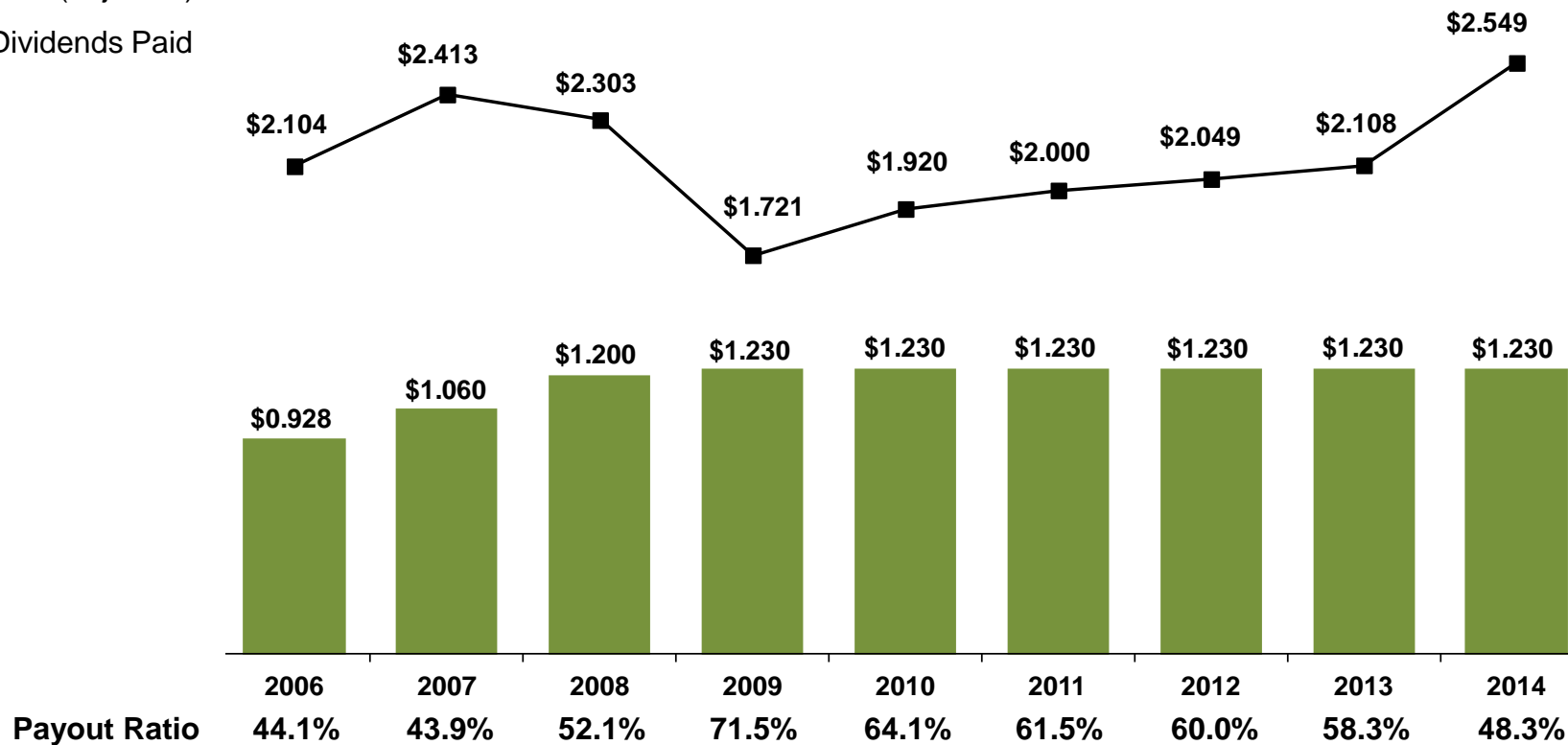


	Q4 2013		Q1 2014		Q2 2014		Q3 2014		Q4 2014		Y/Y
	C\$mm	EPS	C\$mm	EPS	C\$mm	EPS	C\$mm	EPS	C\$mm	EPS	
Operating Earnings ⁽¹⁾	\$491	\$0.491	\$587	\$0.587	\$615	\$0.616	\$687	\$0.687	\$657	\$0.658	
Adjusted Operating Earnings ⁽²⁾	\$514	\$0.514	\$592	\$0.592	\$623	\$0.624	\$695	\$0.696	\$666	\$0.668	
Constant Currency ⁽³⁾	\$491		\$567		\$598		\$673		\$639		30%

- 1) Operating Earnings exclude the impact of certain litigation provisions
- 2) Adjusted Operating Earnings are operating earnings that exclude Irish Life related acquisition and restructuring costs which are reported in the Europe segment, and J.P. Morgan RPS related acquisition and restructuring costs in the U.S. segment. Europe totals exclude \$23mm in Q4/13, \$5mm in Q1/14, \$8mm in Q2/14, \$6mm in Q3/14, and \$6mm in Q4/14 (after-tax). U.S. totals exclude \$2mm in Q3/14, and \$3mm in Q4/14 (after-tax)
- 3) Constant Currency is based on Operating Earnings and translated to Canadian dollars at Q4/13 FX rates (US=1.05, £=1.70, €=1.43)

Lifeco Common Share Dividend

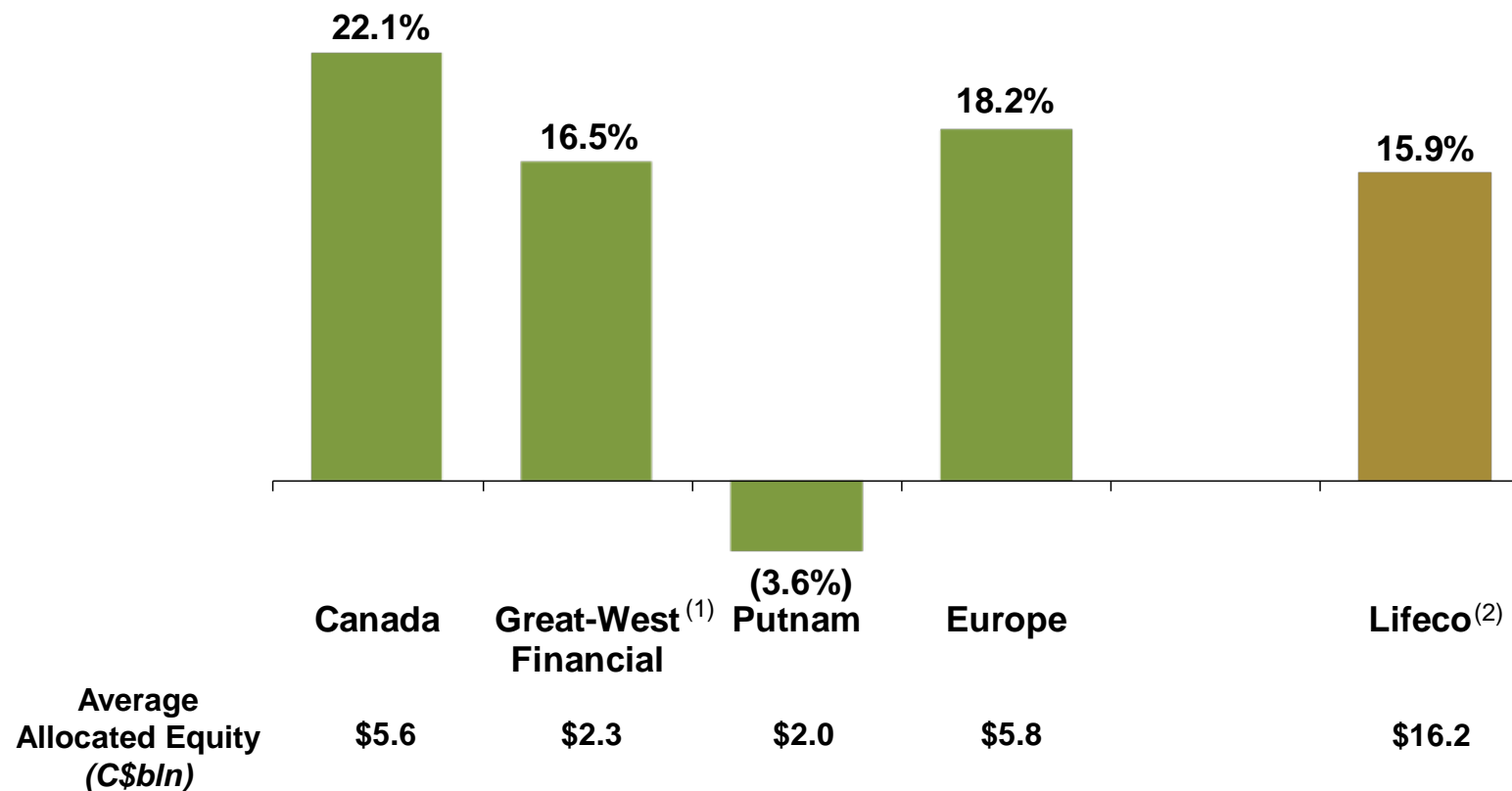
■ EPS (adjusted)
■ Dividends Paid



- Lifeco has maintained its \$1.23 common share dividend since 2009
- 2014 is the first year since the financial crisis that the payout ratio has dropped below 50%

Return on Equity – Adjusted Operating Earnings

(Trailing 4 Quarters)



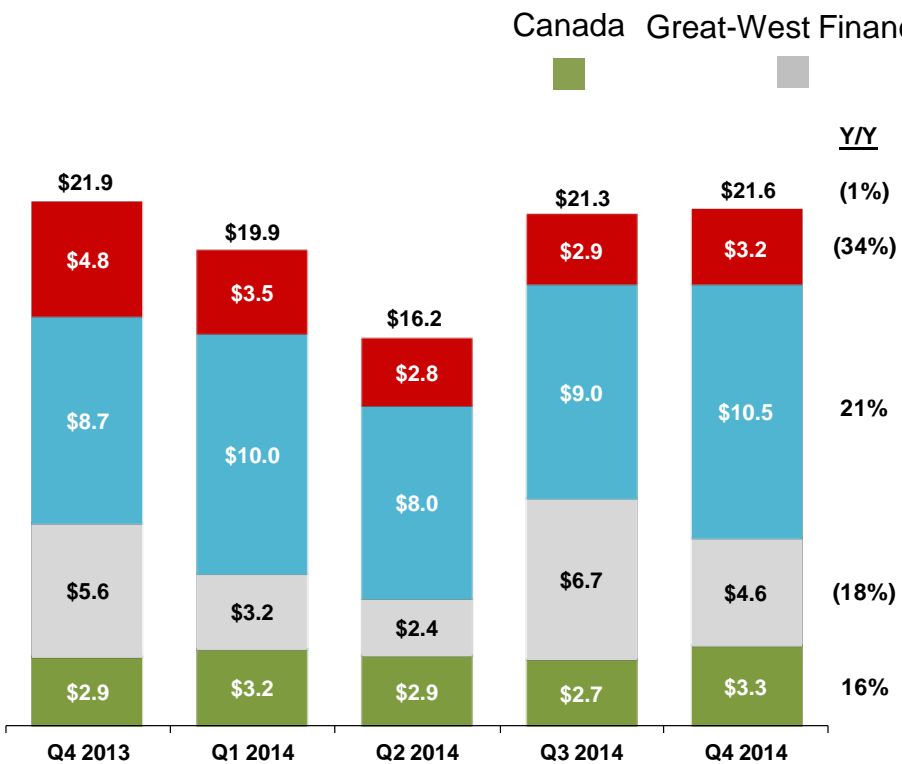
- ROE based on Operating Earnings was 15.7%. Over the past twelve months, Operating Earnings included \$30 million of restructuring and acquisition related charges

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

(2) Lifeco Average Allocated Equity includes \$0.5 billion attributable to Lifeco Corporate

New Annualized Premiums (Sales)

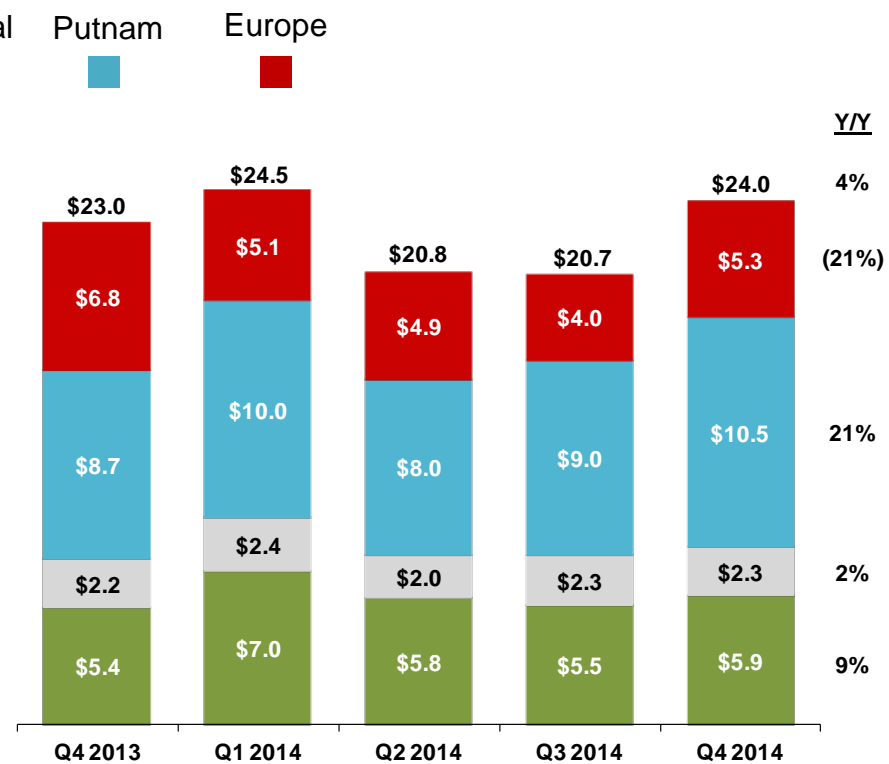
(C\$BLN)



Constant Currency					Y/Y
\$21.9	\$19.1	\$15.7	\$20.7	\$20.4	(7%)

Premiums & Deposits

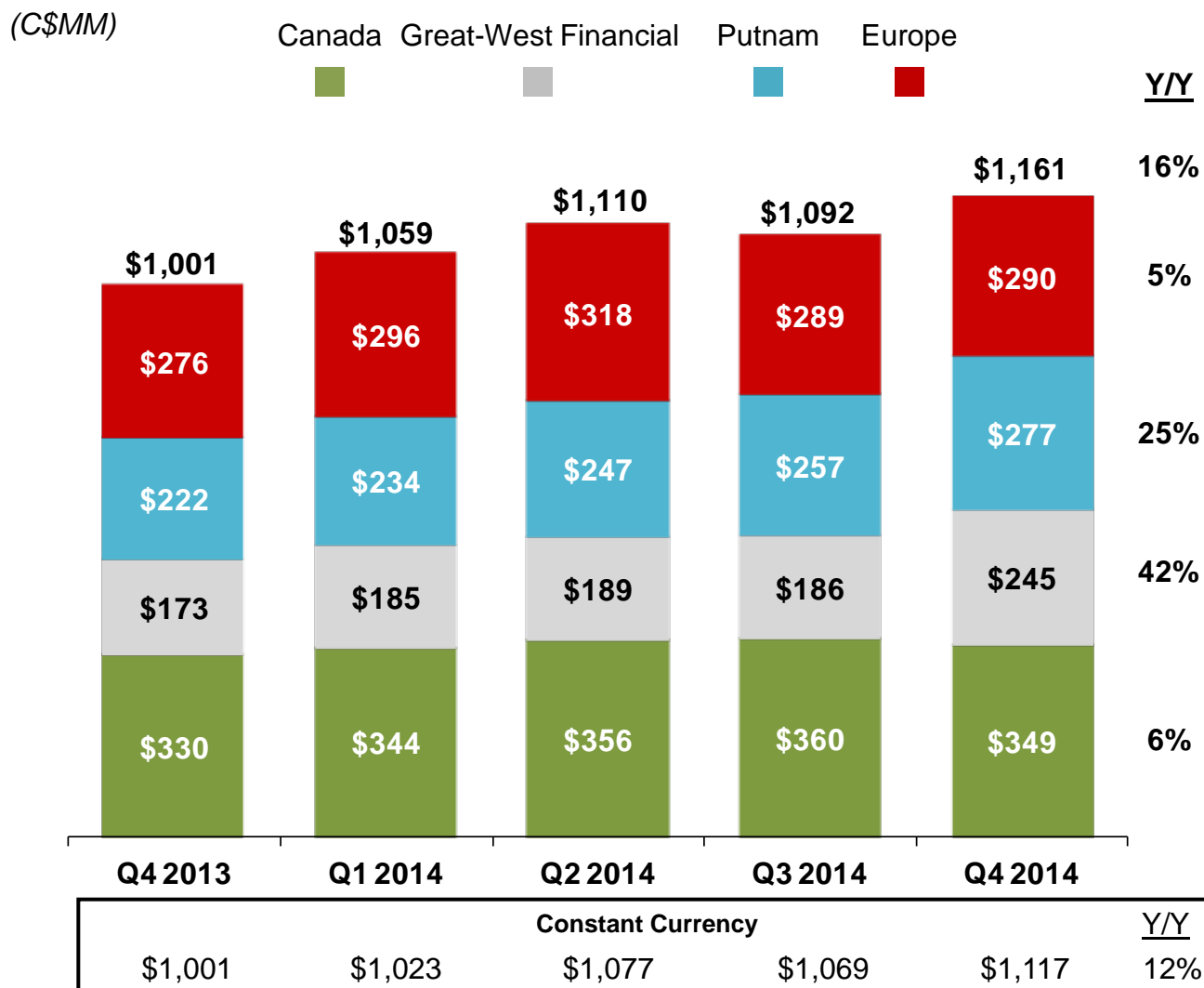
(C\$BLN)



Constant Currency					Y/Y
\$23.0	\$23.7	\$20.2	\$20.2	\$22.9	0%

Note: Comparative figures for total premiums and deposits have been restated to improve consistency across the Company's business units

Fee Income

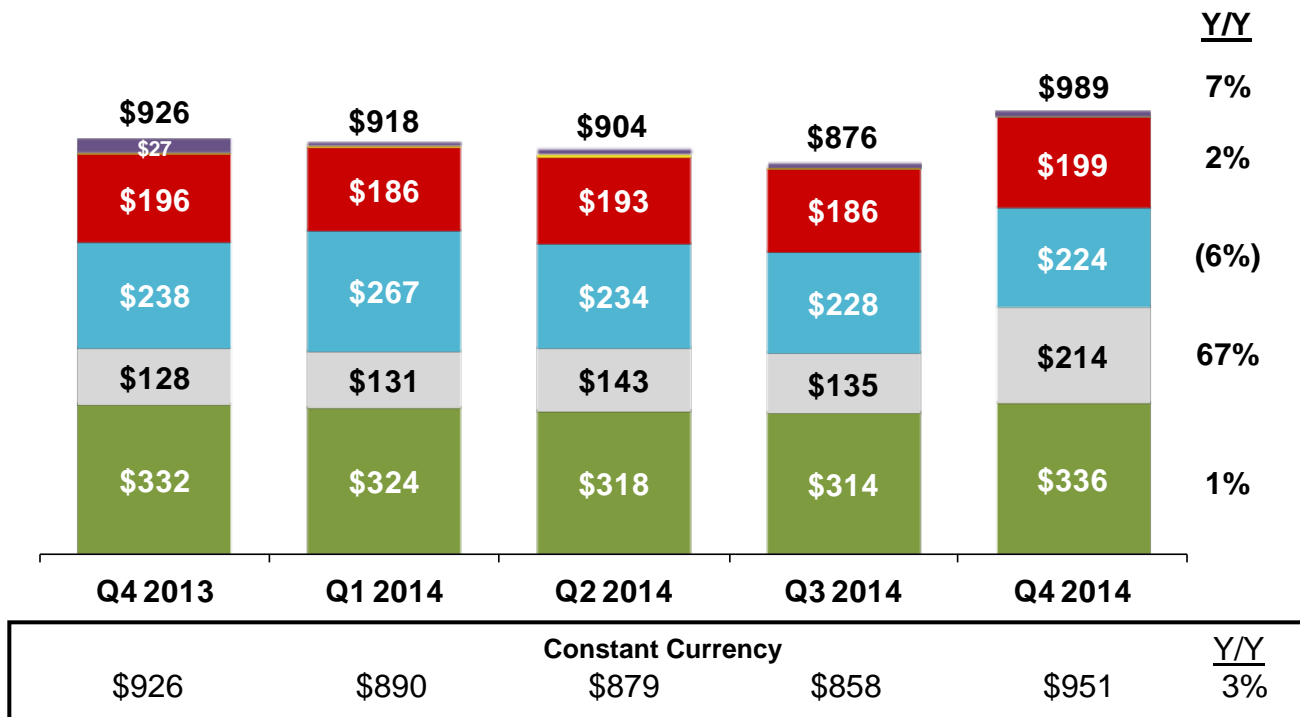


Operating Expenses

(C\$MM)

Canada Great-West Financial Putnam Europe Corporate

Restructuring Costs & Acquisition Expenses (pre-tax)

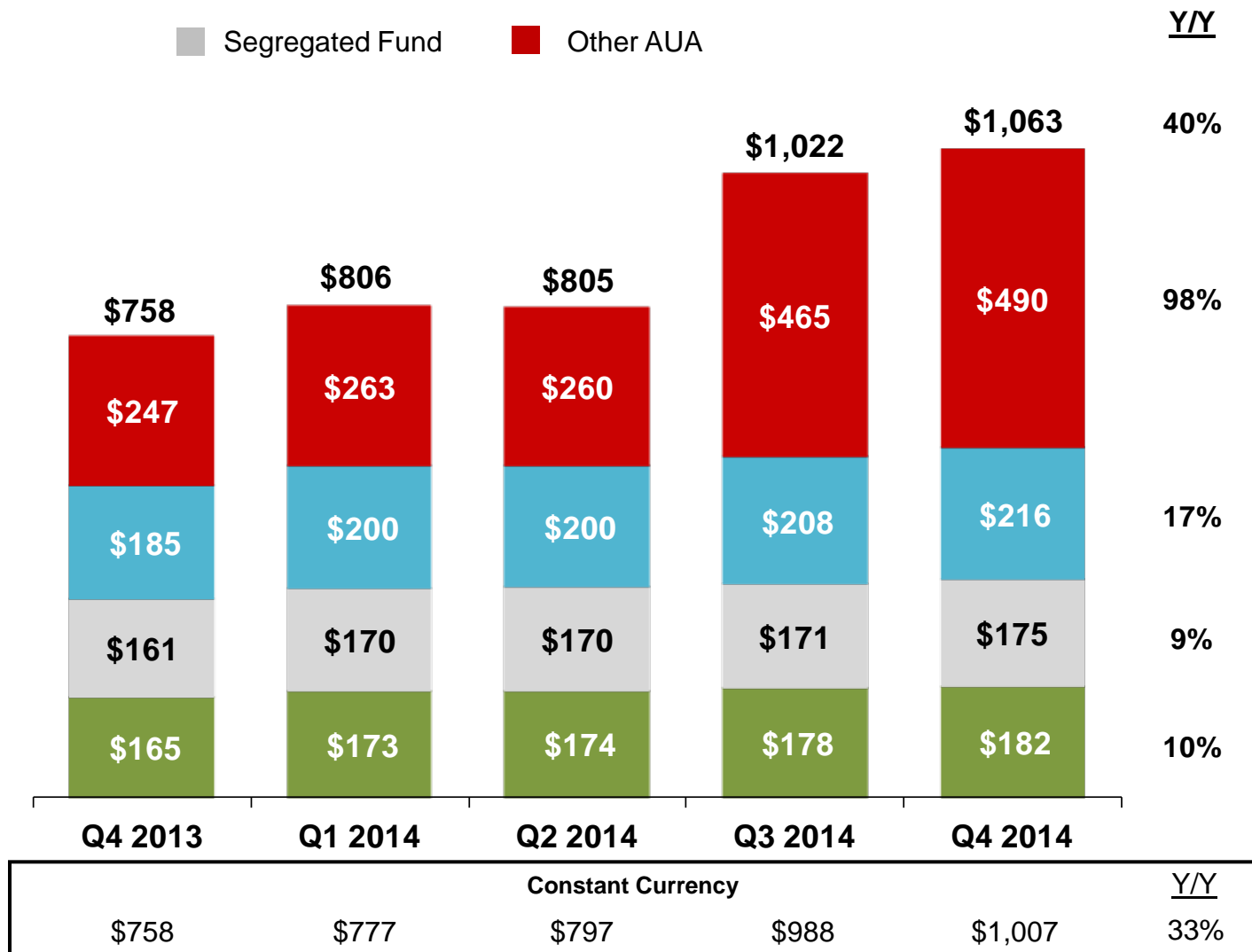


- Pre-tax restructuring and acquisition expenses from the Irish Life acquisition were \$27mm in Q4/13, \$5mm in Q1/14, \$10mm in Q2/14, \$7mm in Q3/14, and \$7mm in Q4/14. Acquisition and restructuring expenses from the J.P. Morgan RPS acquisition were \$3 million in Q3/14 and \$5mm in Q4/14.
- Putnam included the following expenses from fair value adjustments on share based compensation: \$29mm in Q4/13, \$27mm in Q1/14, \$1mm in Q2/14, \$1mm in Q3/14, and \$2mm in Q4/14.

Total Assets under Administration

(C\$BLN)

- General Fund
- Mutual Fund & Institutional
- Segregated Fund
- Other AUA



Book Value per Share



- Lifeco's BVPS at December 31, 2014 was \$16.80, up 11% year over year

Note: Comparative figures have been adjusted



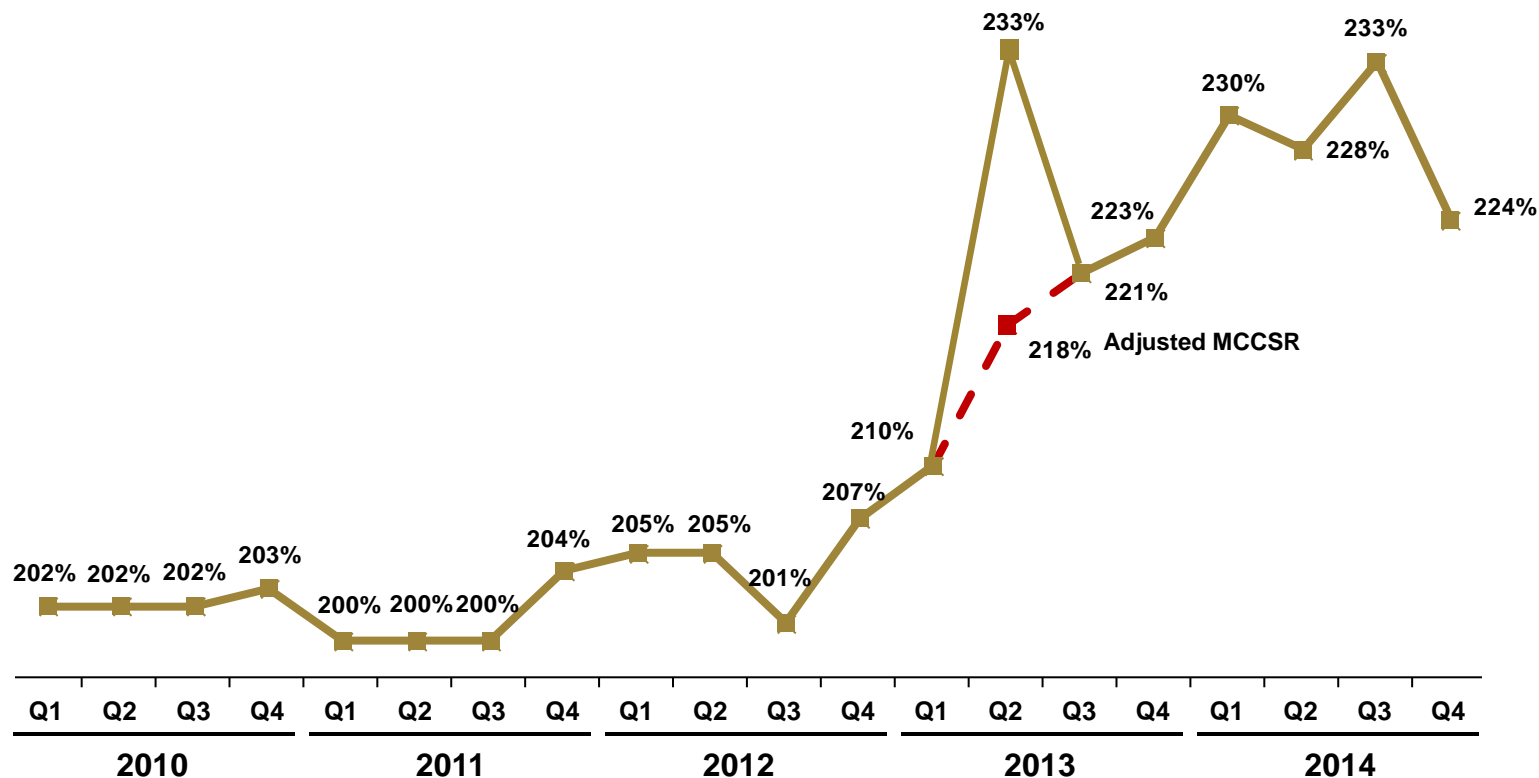
Capital & Source of Earnings

Garry MacNicholas

Executive Vice-President, Actuarial and Risk
Great-West Lifeco



Regulatory Capital Ratios Remain Strong – Consolidated MCCSR Ratio



- MCCSR of 224% is a 9 point decrease from Q3 2014
- An additional dividend paid from Great-West Life to the holding company during the fourth quarter was further deployed to reduce debt and improve financial leverage
- The positive impact of strong earnings growth in the quarter was more than offset by the combined impact of business growth and interest rate declines on capital requirements
- The IAS19R pension accounting phase-in headwind of one point per quarter is now complete

Great-West Lifeco – Source of Earnings (Quarterly)

(C\$MM)	For the three months ended December 31, 2014					Q4 2013
	Canada	U.S.	Europe	Corp	Total	Total
Expected profit on in-force business	305	108	244	(4)	653	593
Impact of new business	(5)	(1)	(39)	-	(45)	(13)
Experience gains and losses	11	(20)	6	-	(3)	94
Management actions and changes in assumptions	76	23	122	-	221	24
Other	-	-	(7)	-	(7)	(27)
Earnings on surplus	17	12	2	(2)	29	6
Operating Earnings before tax	404	122	328	(6)	848	677
Taxes	(81)	(32)	(48)	2	(159)	(128)
Operating Earnings before non-controlling interests & preferred dividends	323	90	280	(4)	689	549
Non-controlling Interests & Preferred Dividends	(23)	-	(6)	(2)	(31)	(33)
Operating Earnings - Common Shareholders before adj. and Putnam	300	90	274	(6)	658	516
Putnam after-tax	-	(1)	-	-	(1)	(25)
Adjustments after-tax	-	-	-	-	-	226
Net Earnings - Common Shareholders	300	89	274	(6)	657	717

- Expected profit increased across all regions, 10% overall, driven by growth in business and fee income
- Actuarial Standards of Practice change contributed \$64 million pre-tax, \$60 million post-tax

Great-West Lifeco – Source of Earnings (Annually)

(C\$MM)	For the twelve months ended December 31, 2014					2013
	Canada	U.S.	Europe	Corp	Total	Total
Expected profit on in-force business	1,210	438	951	(16)	2,583	2,193
Impact of new business	3	(5)	(87)	-	(89)	26
Experience gains and losses	180	(21)	222	(1)	380	444
Management actions and changes in assumptions	195	88	139	-	422	138
Other	-	(3)	(29)	-	(32)	(104)
Earnings on surplus	56	55	15	(8)	118	91
Operating Earnings before tax	1,644	552	1,211	(25)	3,382	2,788
Taxes	(323)	(175)	(150)	5	(643)	(543)
Operating Earnings before non-controlling interests & preferred dividends	1,321	377	1,061	(20)	2,739	2,245
Non-controlling Interests & Preferred Dividends	(93)	-	(23)	(6)	(122)	(130)
Operating Earnings - Common Shareholders before adj. and Putnam	1,228	377	1,038	(26)	2,617	2,115
Putnam after-tax	-	(71)	-	-	(71)	(63)
Adjustments after-tax	-	-	-	-	-	226
Net Earnings - Common Shareholders	1,228	306	1,038	(26)	2,546	2,278

- Expected profit up 18% on growth in business and fee income, and Irish Life included for a full year
- Strong experience gains of \$380 million pre-tax primarily due to investment trading activity



Invested Assets Update

Mark Corbett

Executive Vice President & Chief Investment Officer
Great-West Lifeco



In-Quarter Developments

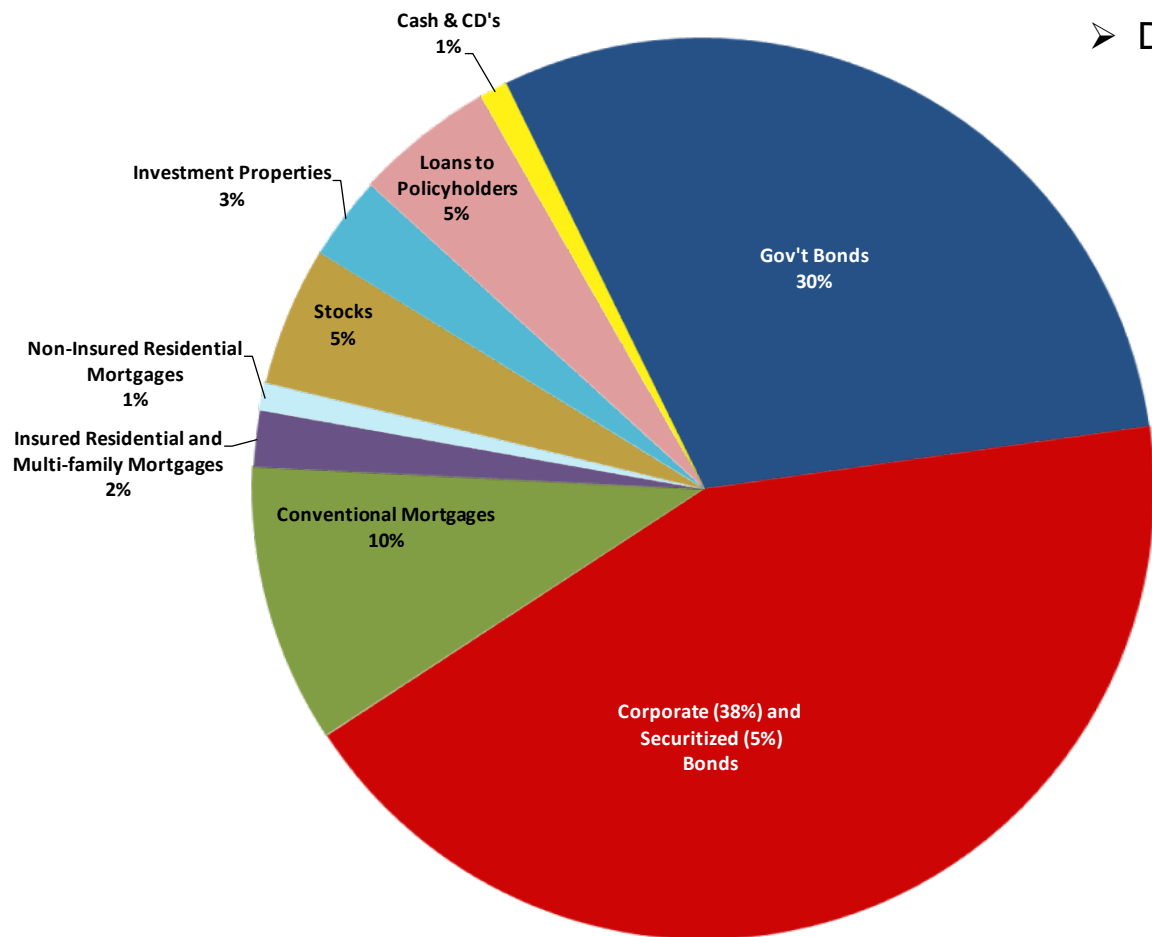
Credit Markets

- Credit experience related to impairments and rating changes negatively impacted shareholders' net earnings by \$19 million in the quarter

Total Credit Impact on Shareholders' Net Earnings

	Q4 2013	Total 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	YTD 2014
(\$ millions)							
Credit (impairments) / recoveries	8	11	5	15	1	1	22
Credit (downgrades) / upgrades	9	2	(3)	(9)	(4)	(20)	(36)
Total Impact	17	13	2	6	(3)	(19)	(14)

Invested Asset Composition*



- Invested assets at December 31, 2014 were \$156.8 billion
- Diversified high quality portfolio:
 - Bonds represent 73% of invested assets (98% are investment grade; 83% rated A or higher)
 - Mortgage portfolio represents 13% 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 (34% in Canada; 61% in UK). Properties are unlevered; UK properties benefit from long term lease contracts

* Includes certain funds held by ceding insurers (carrying value of \$10.5 billion)

Lifeco Consolidated Bond Portfolio*

	Corporate and Securitized				% of Invested Assets	\$ (millions)
	Governments	Banks	Financial Services	Other Corporate and Securitized		
United States	6.1%	0.8%	1.9%	13.7%	22.5%	35,233
Canada	11.6%	1.0%	0.1%	8.5%	21.2%	33,347
United Kingdom	7.2%	1.4%	1.3%	8.2%	18.1%	28,362
Ireland	0.4%	0.1%	0.0%	0.0%	0.5%	726
	25.3%	3.3%	3.3%	30.4%	62.3%	97,668
Eurozone (excluding Ireland)						
Germany	1.5%	0.0%	0.1%	1.2%	2.8%	4,360
France	0.6%	0.4%	0.1%	0.6%	1.7%	2,567
Netherlands	0.5%	0.3%	0.1%	0.2%	1.1%	1,602
Italy	0.1%	0.0%	0.0%	0.2%	0.3%	492
Austria	0.3%	0.0%	0.0%	0.0%	0.3%	465
Belgium	0.1%	0.0%	0.0%	0.2%	0.3%	423
Spain	0.0%	0.2%	0.0%	0.0%	0.2%	384
Finland	0.1%	0.0%	0.0%	0.0%	0.1%	236
Luxembourg	0.0%	0.0%	0.0%	0.0%	0.0%	43
Portugal	0.0%	0.0%	0.0%	0.0%	0.0%	15
	3.2%	0.9%	0.3%	2.4%	6.8%	10,587
Other Europe						
Sweden	0.1%	0.2%	0.1%	0.1%	0.5%	718
Switzerland	0.0%	0.1%	0.1%	0.1%	0.3%	534
Norway	0.1%	0.1%	0.0%	0.1%	0.3%	517
Denmark	0.1%	0.0%	0.0%	0.0%	0.1%	133
Isle of Man	0.1%	0.0%	0.0%	0.0%	0.1%	127
Jersey	0.1%	0.0%	0.0%	0.0%	0.1%	80
Guernsey	0.0%	0.0%	0.0%	0.0%	0.0%	74
	0.5%	0.4%	0.2%	0.3%	1.4%	2,183
Asia Pacific						
Australia	0.0%	0.3%	0.0%	0.4%	0.7%	1,008
Japan	0.0%	0.0%	0.0%	0.2%	0.2%	361
Singapore	0.1%	0.0%	0.0%	0.0%	0.1%	189
New Zealand	0.0%	0.0%	0.0%	0.1%	0.1%	138
Hong Kong	0.0%	0.0%	0.0%	0.0%	0.0%	48
	0.1%	0.3%	0.0%	0.7%	1.1%	1,744
All Other	0.8%	0.0%	0.0%	0.1%	0.9%	1,495
Total %	29.9%	4.9%	3.8%	33.9%	72.5%	113,677
Total \$ (millions)	46,837	7,610	6,004	53,226	113,677	

*Includes certain funds held by ceding insurers

Corporate and Securitized Bonds - Sector Diversification*

	<u>% of Invested Assets</u>		<u>% of Invested Assets</u>
<u>Corporates</u>		<u>Securitized</u>	
Consumer Products	5.0%	CMBS	1.8%
Banks	4.9%	RMBS	0.4%
Electric Utilities	4.4%	Other ABS	2.5%
Financial Services	3.8%	Total Securitized	4.7%
Real Estate	3.5%		
Other Utilities	3.1%	Total Corporates and Securitized	42.6%
Oil and Gas	2.8%		
Miscellaneous	2.1%		
Other Transportation	1.6%		
Gas Utilities	1.3%		
Industrial Products	1.2%		
Basic Materials	1.2%		
Air Transportation	1.1%		
Communications	1.1%		
Auto & Auto Parts	0.8%		
Total Corporates	37.9%		

- No sectors are > 5% of Invested Assets

*Includes certain funds held by ceding insurers

Corporate Bonds – Oil & Gas Holdings*

- Represents 2.8% of invested assets. Holdings are well diversified with only one sub-sector exceeding 1.0% of invested assets

<u>Oil & Gas Sub-Sector</u>	<u>% of Invested Assets</u>	<u>Rating</u>	<u>% of Oil & Gas</u>
Midstream	1.2%	AAA	0.2%
Integrated	0.6%	AA	12.9%
Independent	0.4%	A	41.8%
Oil Field Services	0.2%	BBB	44.2%
Refining	0.1%	BB & Lower	0.9%
Other **	0.3%		
Total %	2.8%	Total	100.0%

* Includes certain funds held by ceding insurers

** Includes certain government agency holdings

GREAT-WEST
LIFECO INC.

Canada

Dave Johnston

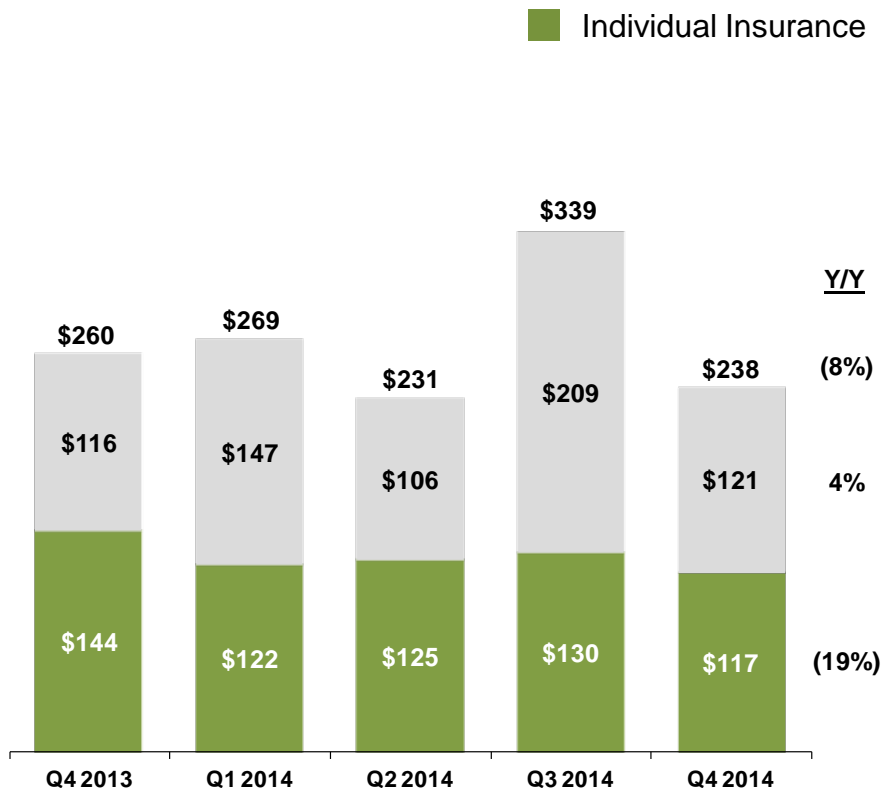
President & Chief Operating Officer
Canada



Canada – Insurance

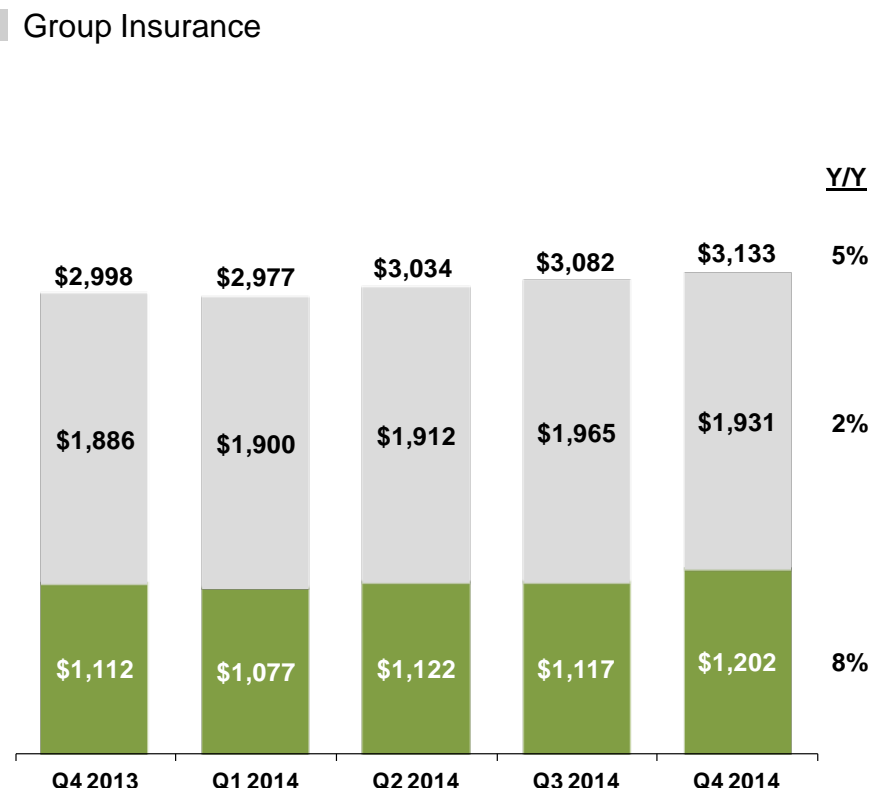
New Annualized Premiums (Sales)

(C\$MM)



Premiums & Deposits

(C\$MM)



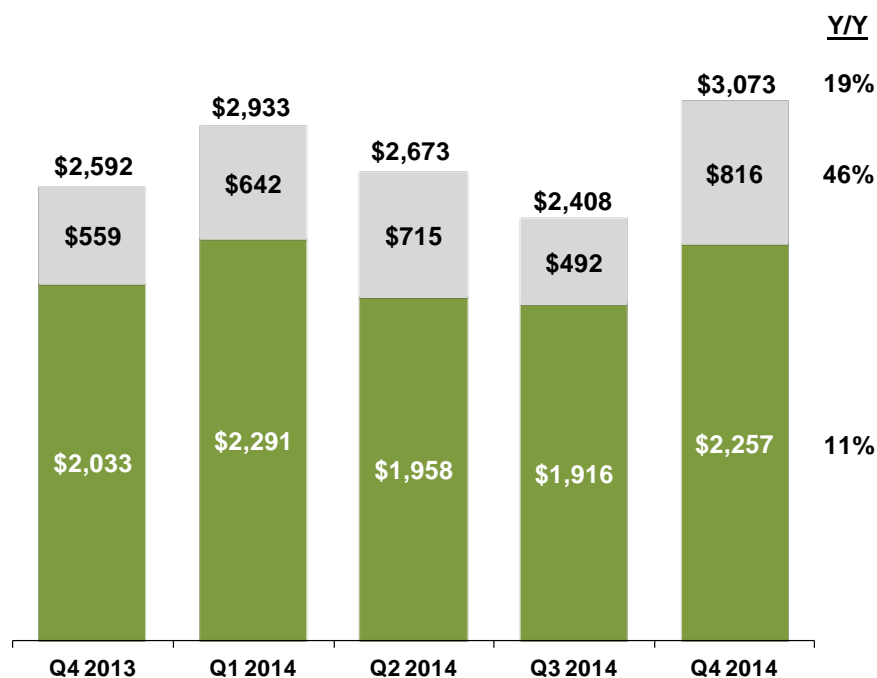
Canada – Wealth Management

New Annualized Premiums (Sales)

(C\$MM)

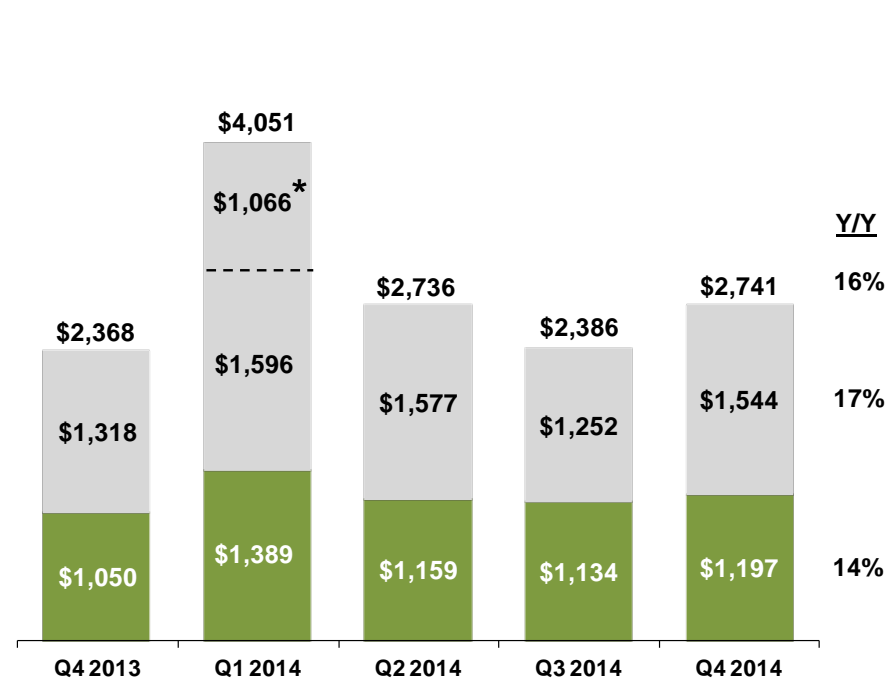
Individual Wealth Management

Group Retirement Services



Premiums & Deposits

(C\$MM)



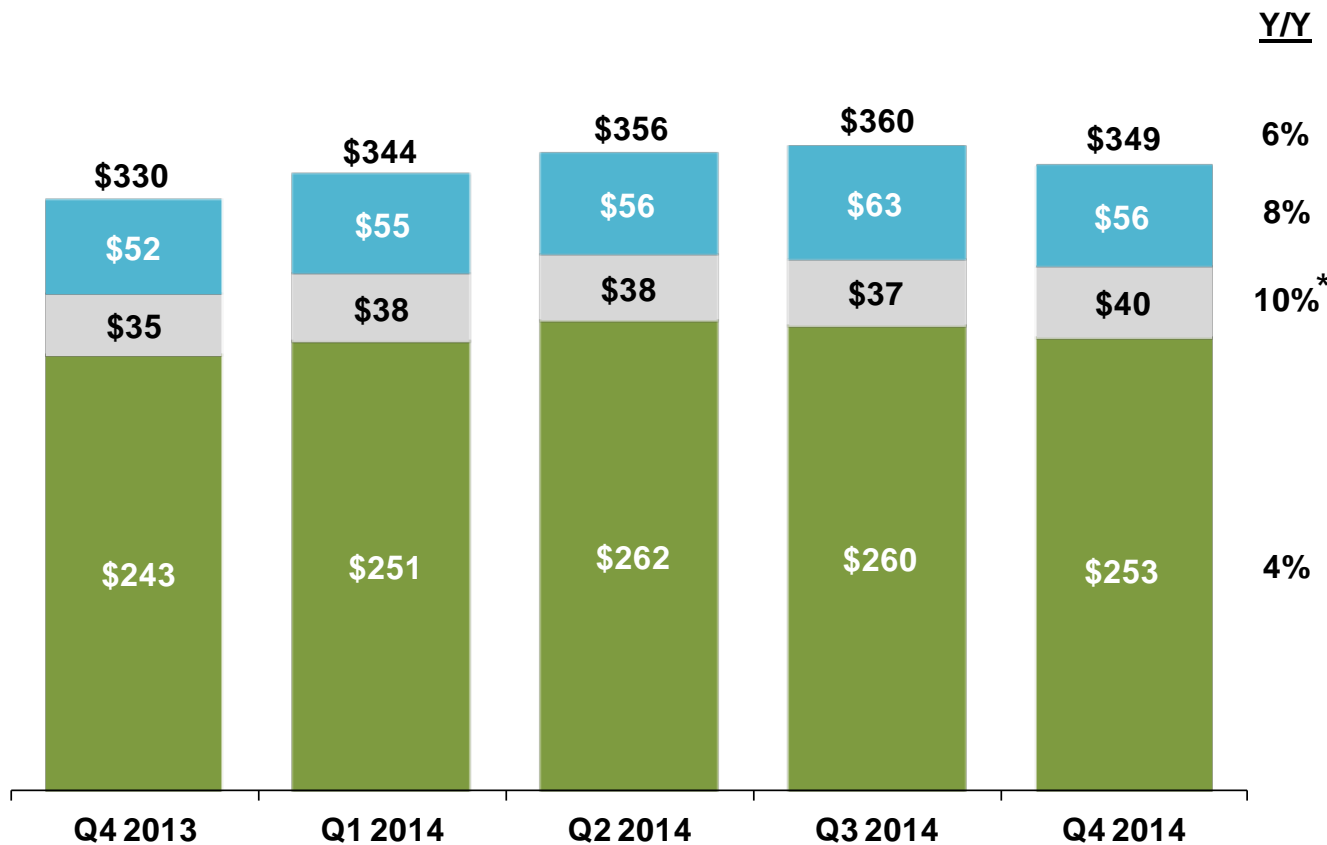
- Wealth Management had positive net cash flows of \$264 million in quarter

*Q1 2014 Premiums & Deposits include the conversion of certain Pension Plan assets into a segregated fund product

Canada – Fee Income

(C\$MM)

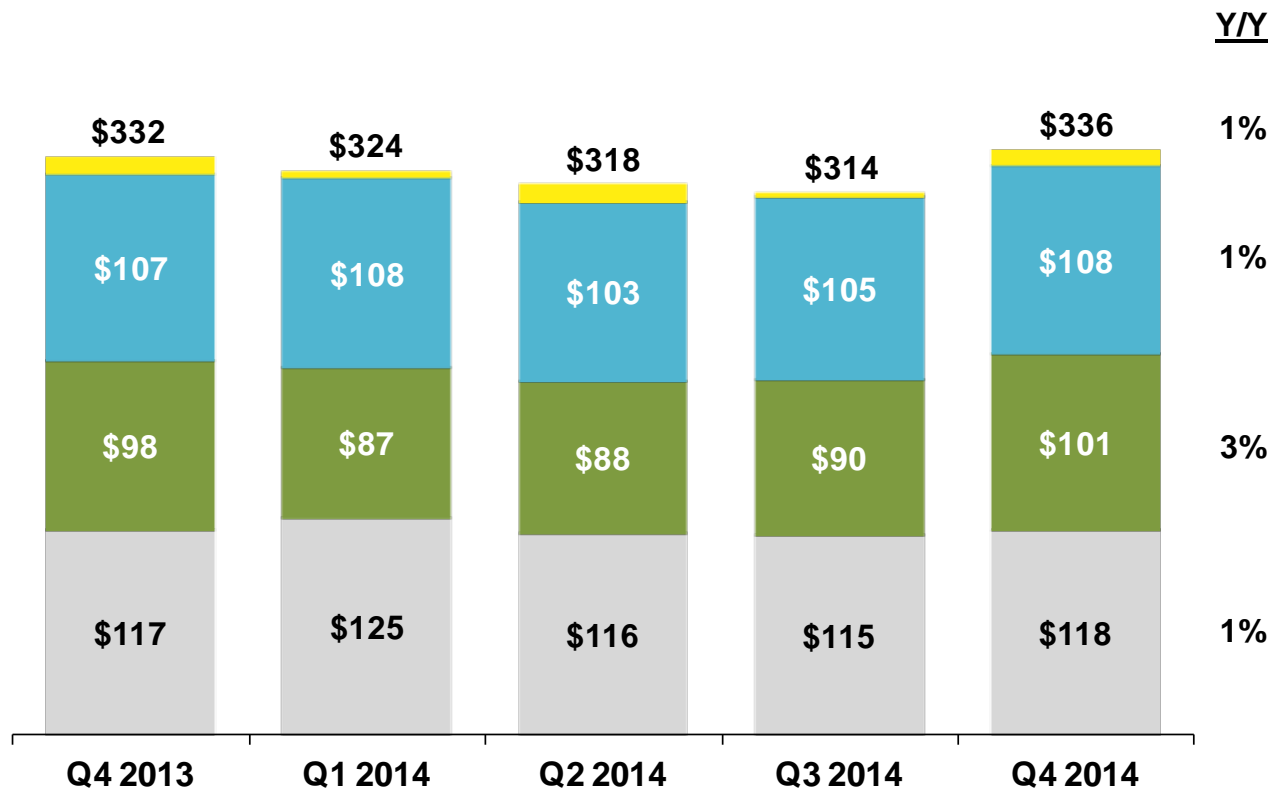
■ Segregated Funds ■ ASO ■ Other



* Using unrounded figures year-over-year growth is 10%

Canada – Operating Expenses

(C\$MM)

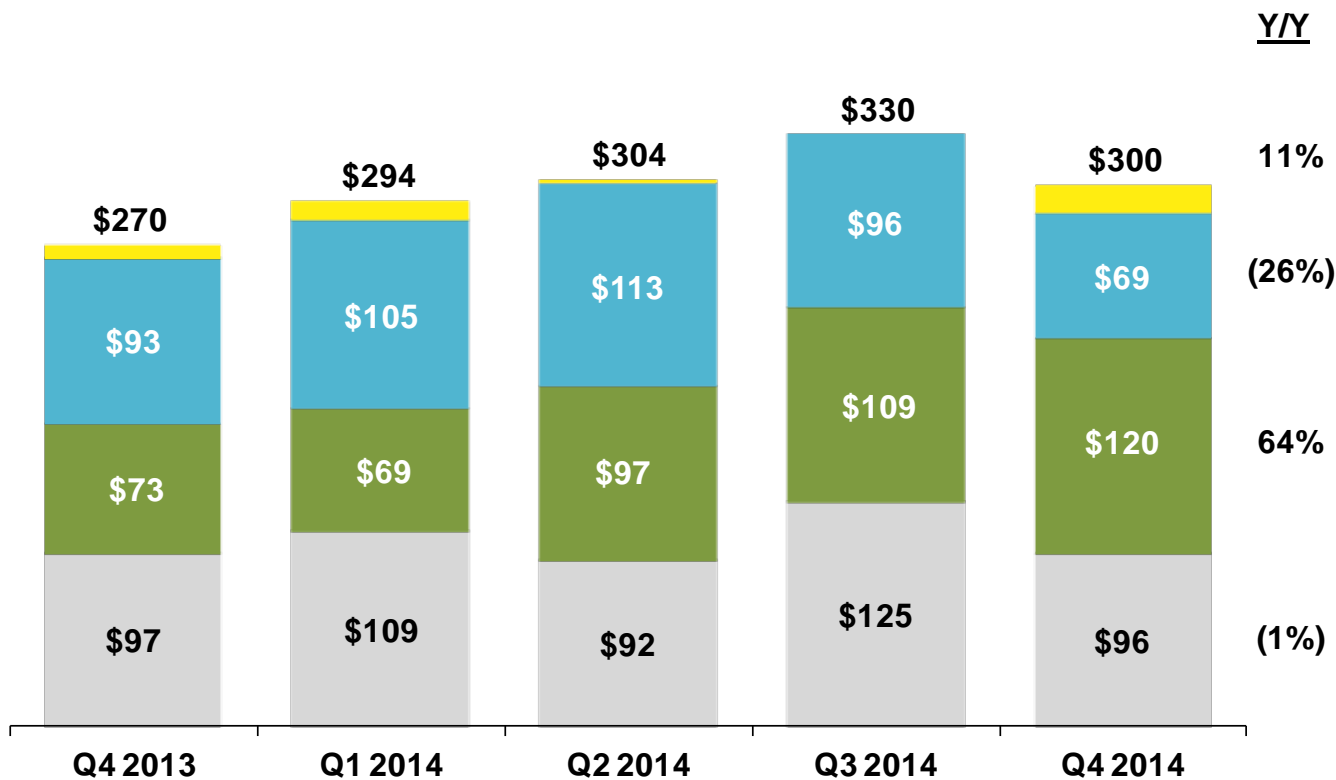


Note: Operating expenses exclude the impact of certain litigation items in Q4 2013

Canada – Operating Earnings

(C\$MM)

- Group Insurance
- Wealth Management
- Individual Insurance
- Corporate



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LIFECO INC.

United States

Robert Reynolds

President & Chief Executive Officer

Great-West Lifeco U.S.

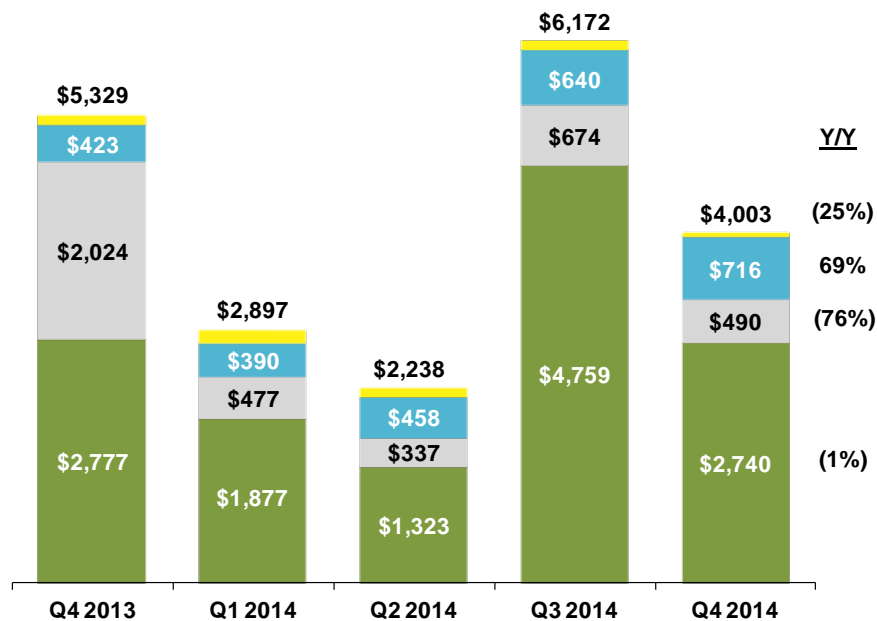


Great-West Financial – Sales and Premiums & Deposits

Sales

(US\$MM)

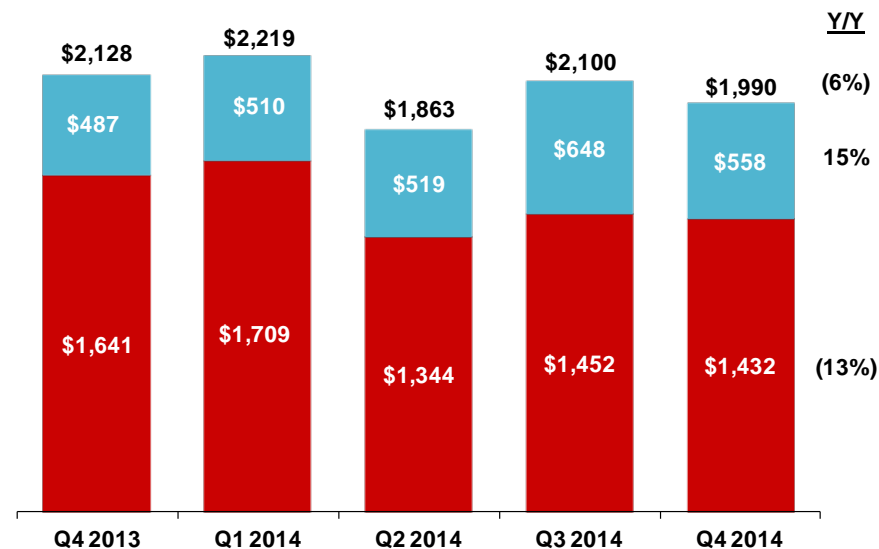
401(k) P/NP Individual Markets Institutional



Premiums & Deposits

(US\$MM)

Retirement Services Individual Markets



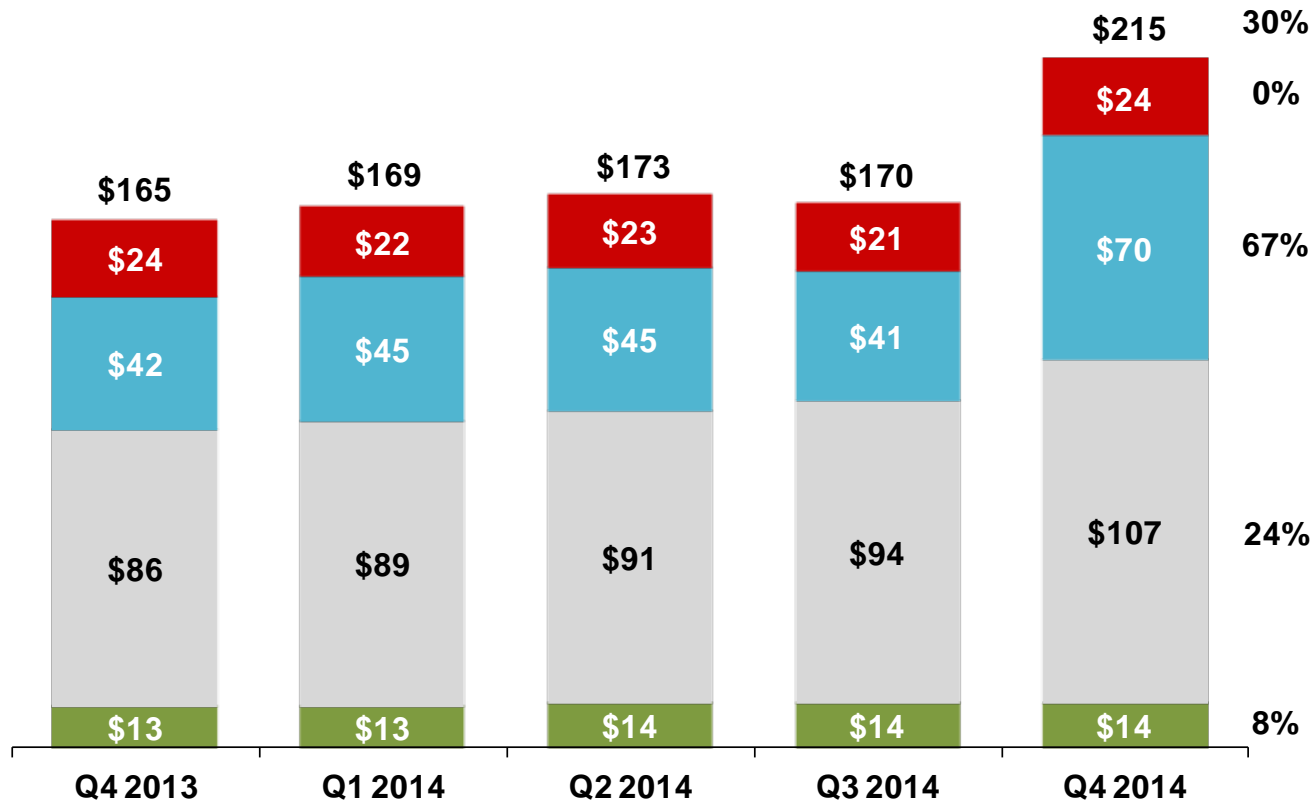
Note: Comparative figures for total premiums and deposits have been restated to improve consistency across the Company's business units

Great-West Financial – Fee Income

(US\$MM)

- Variable Asset Charges
- Variable Asset Fees
- Administrative Fees (all non-variable)
- Individual Market Fees

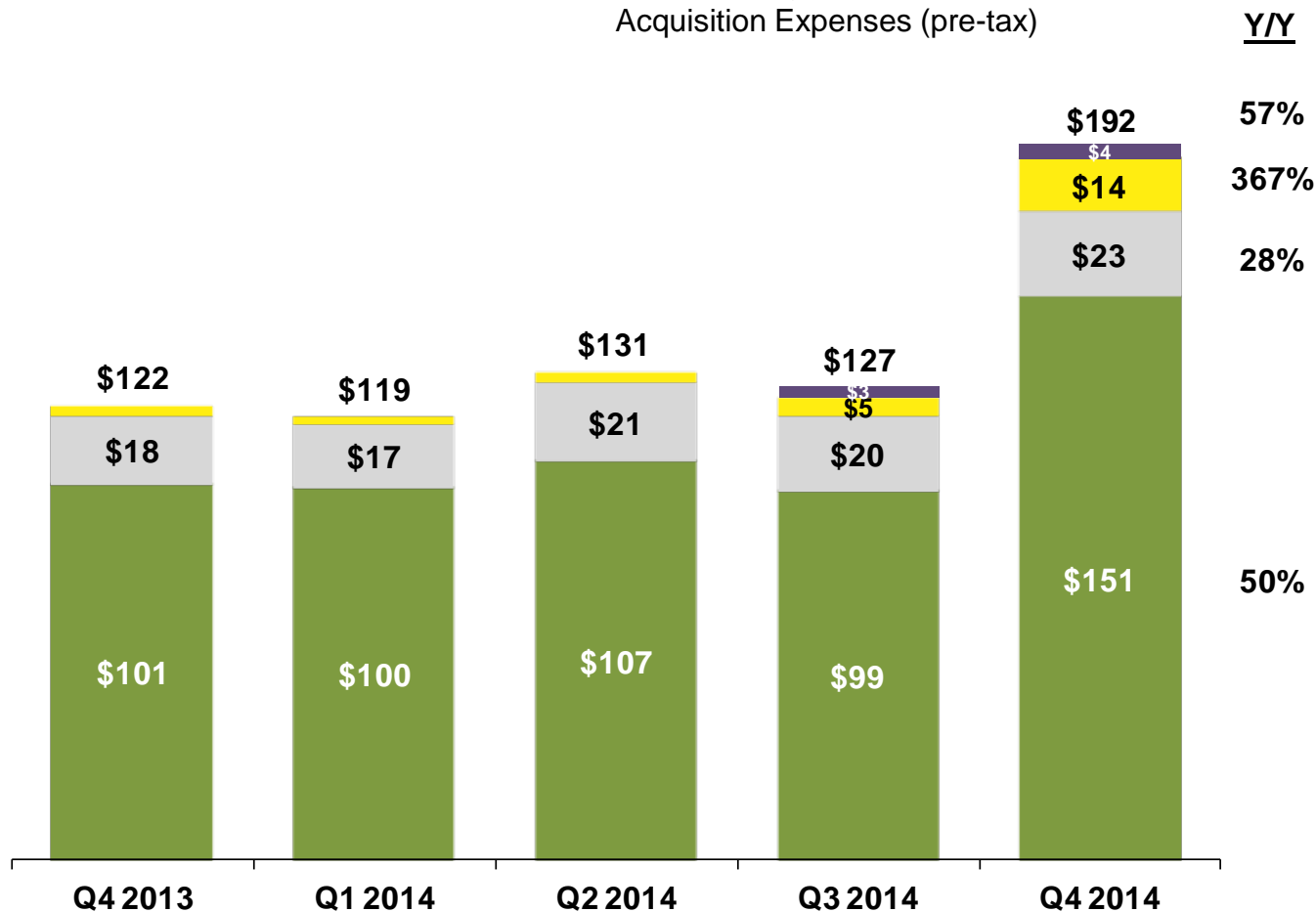
Y/Y



Great-West Financial – Operating Expenses

(US\$MM)

- Retirement Services
- Individual Markets
- Corporate
- Restructuring Costs & Acquisition Expenses (pre-tax)

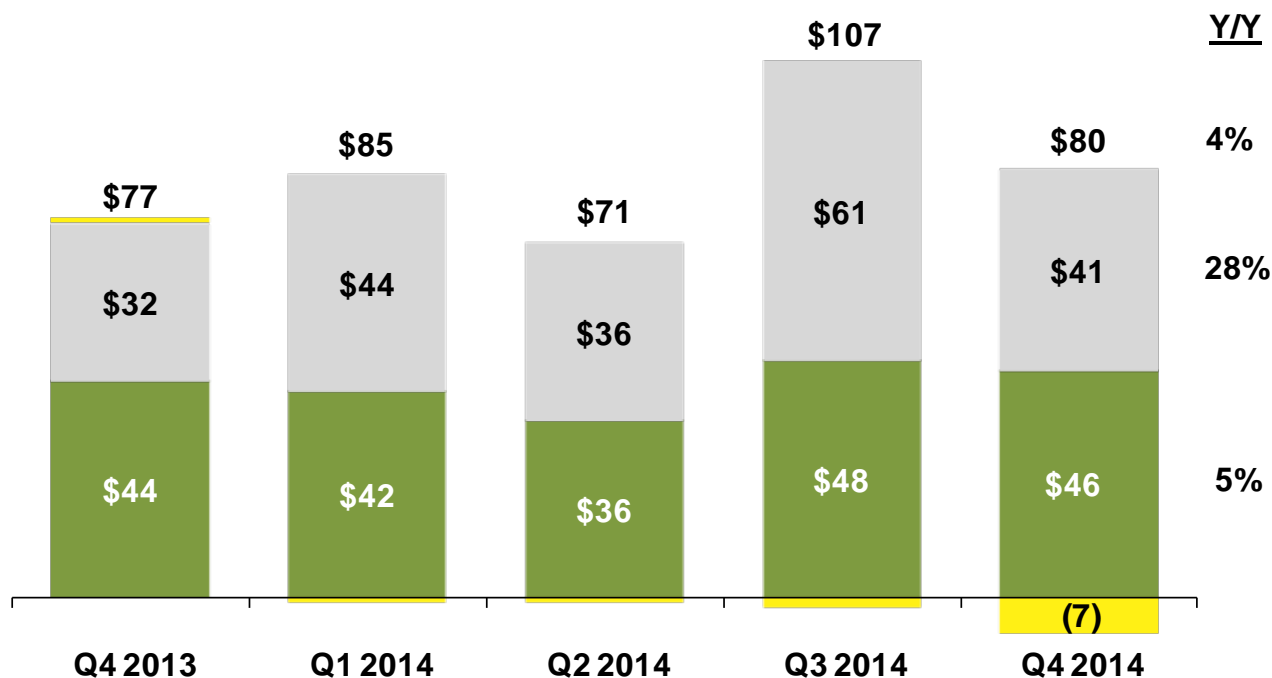


Note: Pre-tax restructuring costs and acquisition expenses from the J.P. Morgan RPS were US\$3mm in Q3/14 and US\$4mm in Q4/14

Great-West Financial – Operating Earnings

(US\$MM)

■ Retirement Services
 ■ Individual Markets
 ■ Corporate

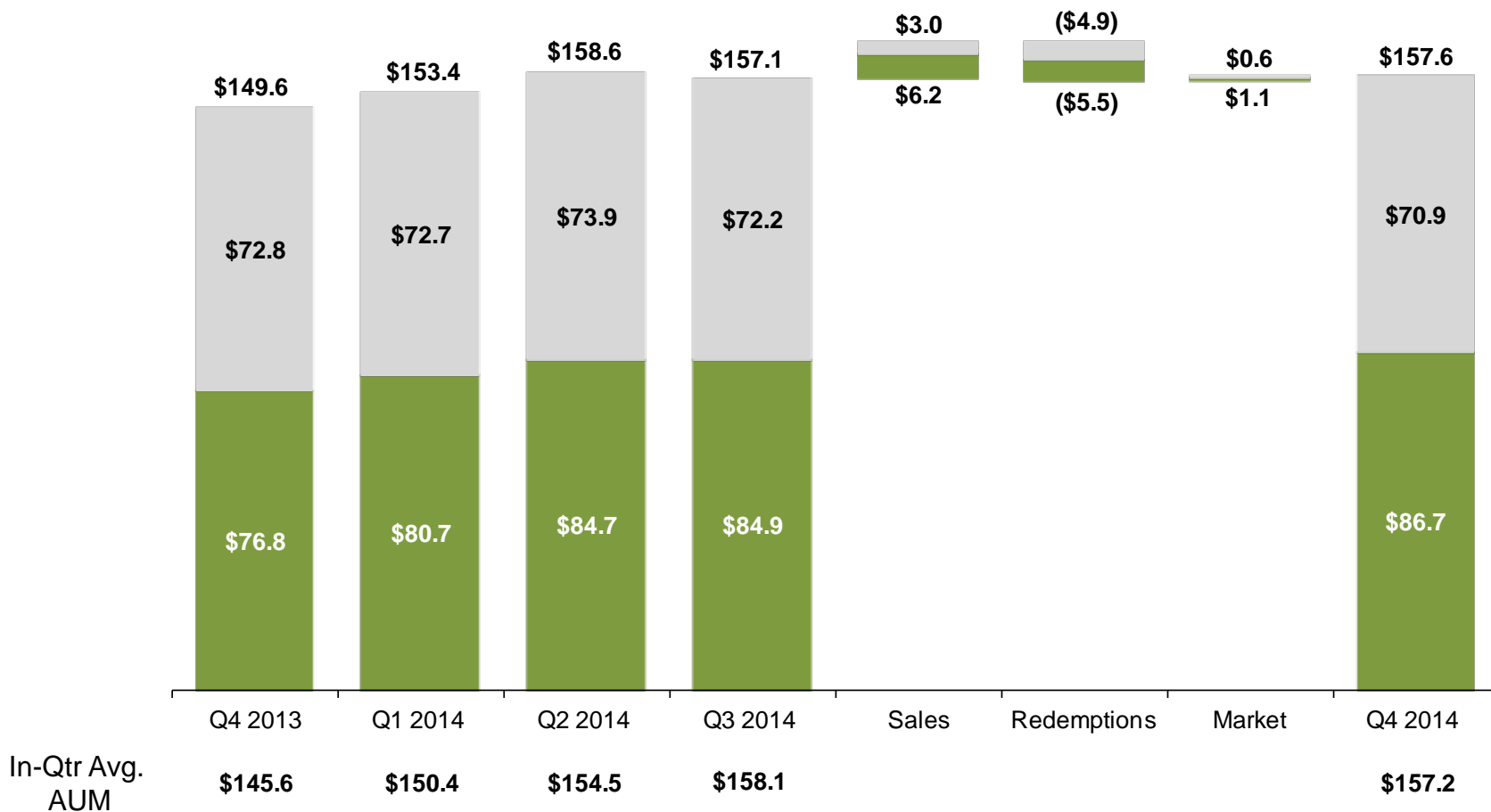


Note: Excludes post-tax restructuring costs and acquisition expenses from the J.P. Morgan RPS which were US\$2mm in Q3/14 and US\$2mm in Q4/14

Putnam – AUM & Flows

(US\$BLN)

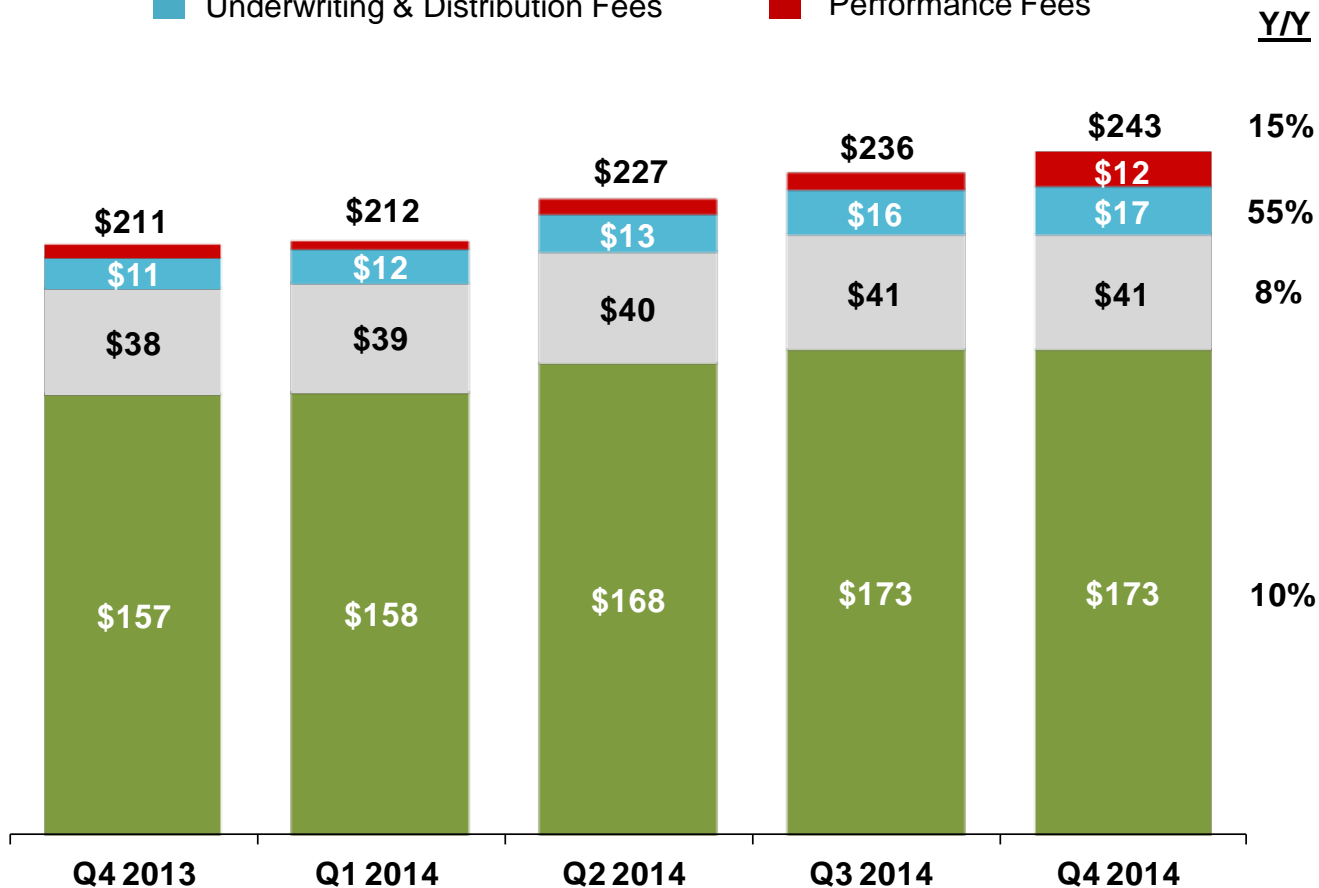
Mutual Funds Institutional



Putnam – Fee Income

(US\$MM)

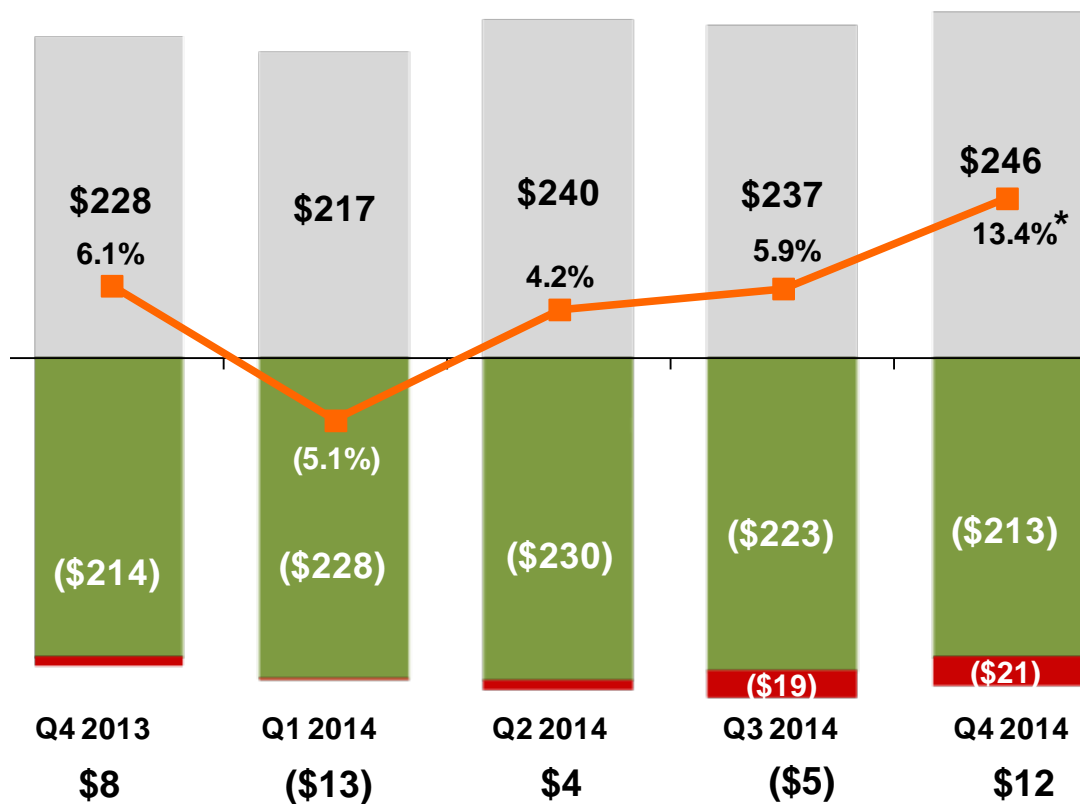
- Investment Management Fees
- Service Fees
- Underwriting & Distribution Fees
- Performance Fees



Putnam – Core Earnings

(US\$MM)

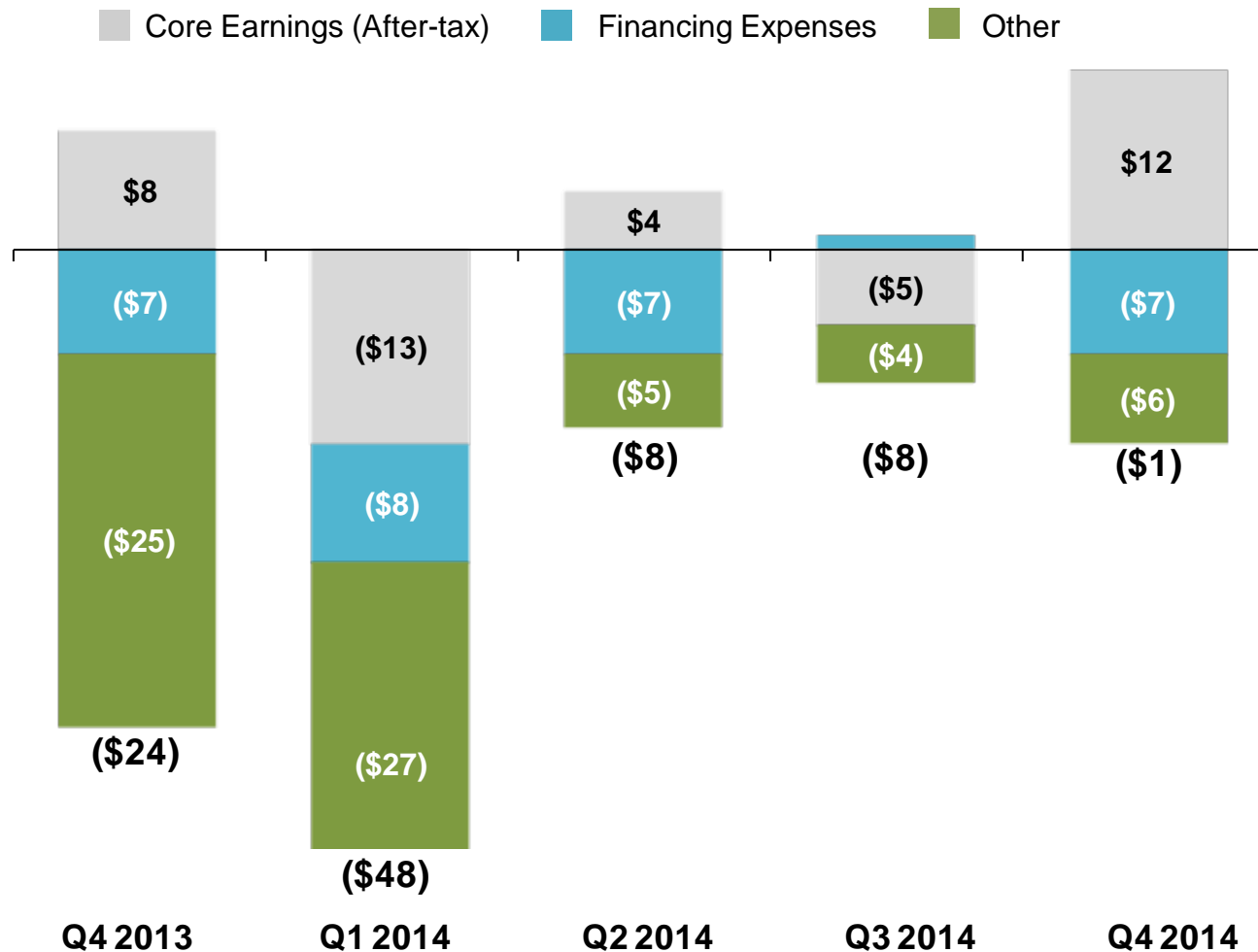
- Expenses
- Income Taxes
- Fee & Net Inv Income
- Operating Margin (Pre-tax)



* Includes a net gain related to the settlement of a legal matter of US\$20 million. Excluding this gain, operating margin would be 5.3%

Putnam – Contribution to Lifeco Earnings

(US\$MM)



Note: Putnam's contribution included the following expenses from fair value adjustments on share based compensation: US\$22mm in Q4/13, US\$21mm in Q1/14, US\$1mm in Q2/14, US\$1mm in Q3/14 and US\$2mm in Q4/14. Beginning in Q2/14 a transition to equity accounting was made for share based compensation

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Europe

Arshil Jamal

President & Chief Operating Officer
Europe

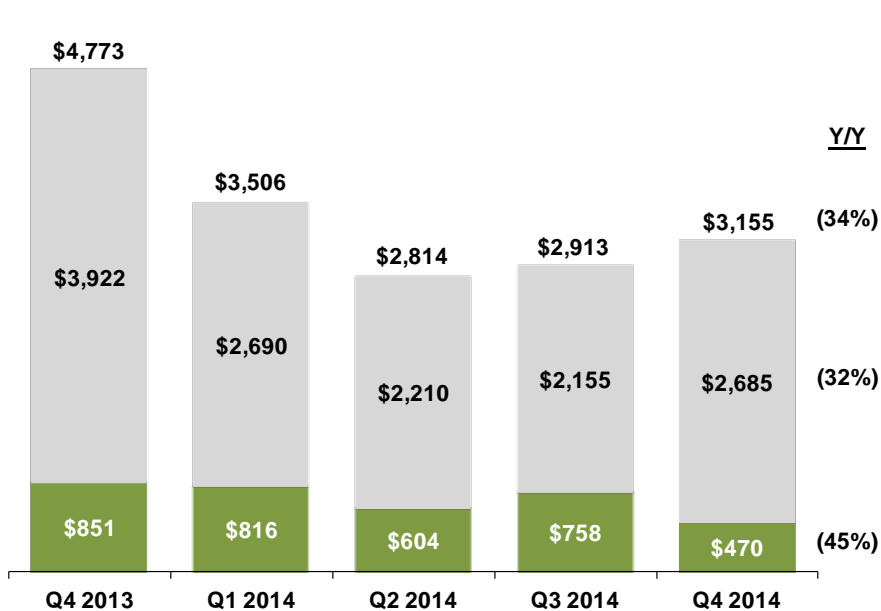


Europe – Sales and Premiums & Deposits

Sales

(C\$MM)

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



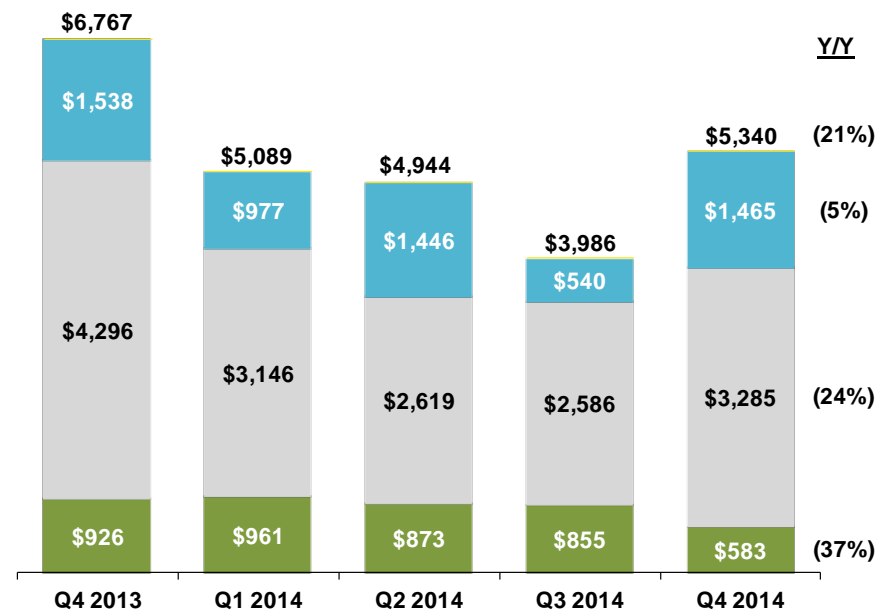
Constant Currency

Y/Y

\$4,773 \$3,306 \$2,665 \$2,849 \$3,146 (34%)

Premiums & Deposits

(C\$MM)



Constant Currency

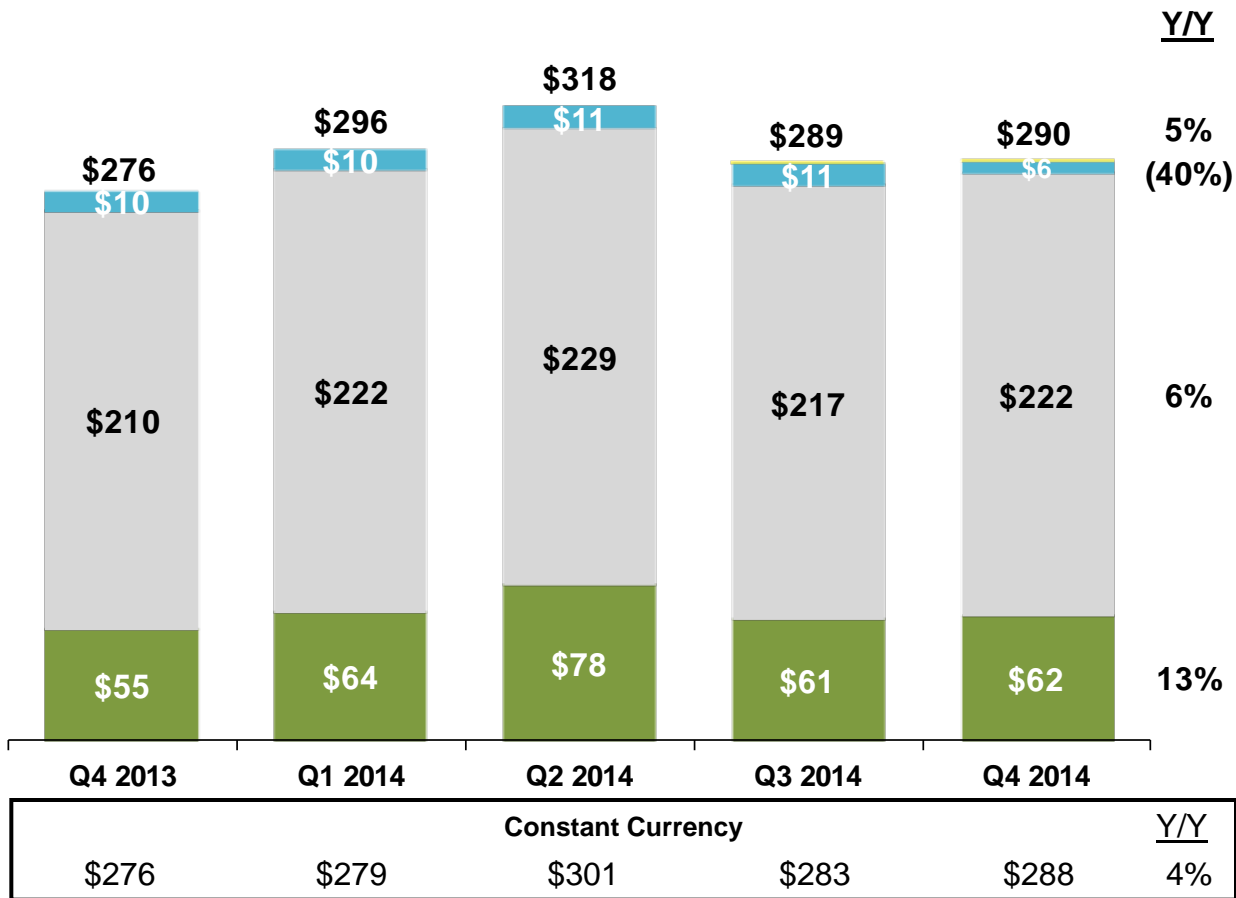
Y/Y

\$6,767 \$4,810 \$4,703 \$3,893 \$5,214 (23%)

Europe – Fee Income

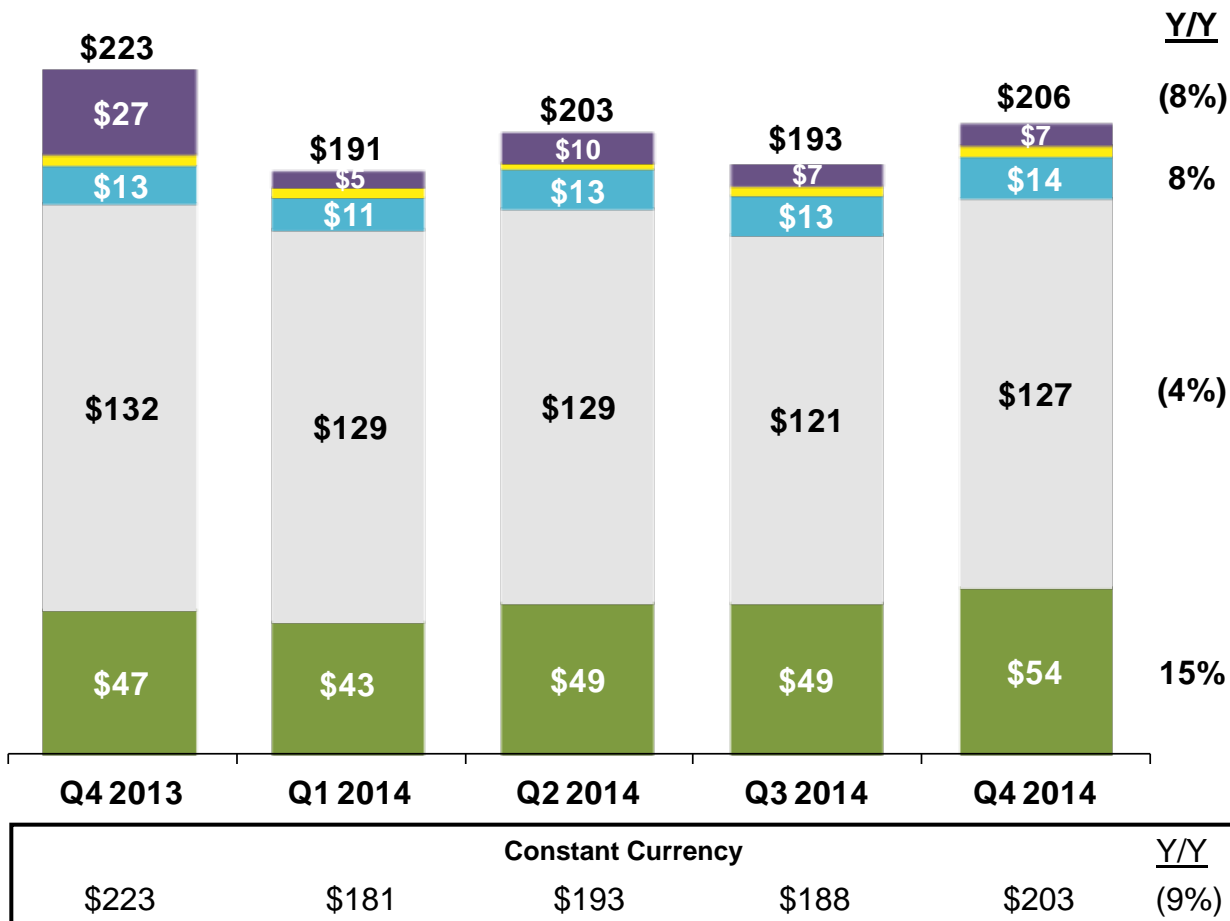
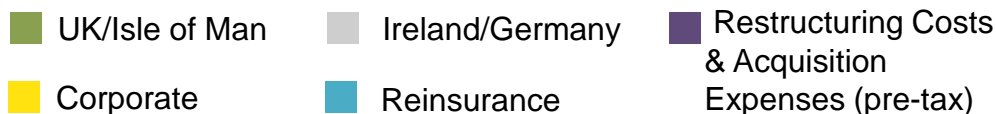
(C\$MM)

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



Europe – Operating Expenses

(C\$MM)



Note: Pre-tax restructuring and acquisition expenses related to Irish Life were \$27mm in Q4/13, \$5mm in Q1/14, \$10mm in Q2/14, \$7mm in Q3/14, and \$7mm in Q4/14

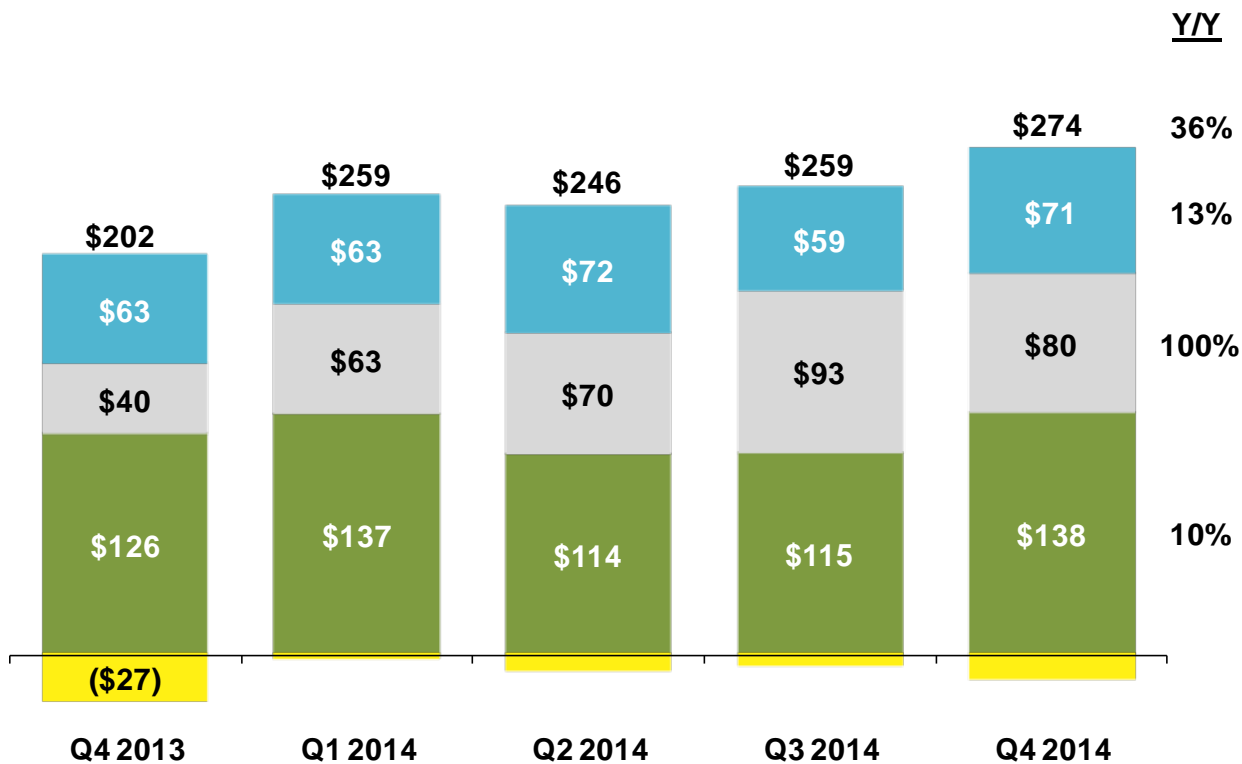
Irish Life Update: Synergy Target Exceeded

- Integration activities were expected to result in an annual reduction of Irish Life related operating costs of €40 million
 - From July 19, 2013 to December 31, 2014 Lifeco achieved €40.8M in annualized synergies, or 102% of the expected total
 - Lifeco expects to exceed the original €40 million synergy target by at least 10%
- 69% of the expected €60 million restructuring costs were incurred as of December 31, 2014
 - In Q4 2014 Lifeco incurred €5.2 million (\$7.4 million) of Irish Life related restructuring costs
 - From July 19, 2013 to December 31, 2014, Lifeco incurred €41.4 million (\$58.6 million) of Irish Life and Canada Life Ireland restructuring costs
- Irish Life contributed \$70 million to Lifeco's Q4 earnings, up from \$36 million one year ago. The full year contribution from Irish Life reached \$261 million
- Standard & Poor's upgraded Irish Life Assurance Plc's (ILA) issuer credit rating to A from A- in Q4 2014, and in January 2015 Fitch upgraded ILA's insurer financial strength rating to AA- from A+

Europe – Consolidated Operating Earnings

(C\$MM)

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



Constant Currency					Y/Y
\$202	\$241	\$232	\$248	\$264	31%

Macro Economic Environment

	Equity Markets					
	S&P TSX		S&P 500		FTSE 100	
	Close	Average	Close	Average	Close	Average
Q4 2014	14,632	14,531	2,059	2,011	6,566	6,529
Q3 2014	14,961	15,335	1,972	1,976	6,623	6,756
Q2 2014	15,146	14,674	1,960	1,900	6,744	6,762
Q1 2014	14,335	13,983	1,872	1,835	6,598	6,681
Q4 2013	13,622	13,262	1,848	1,770	6,749	6,615

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⁾
Q4 2014	1.79%	1.33%	2.17%	1.07%	1.76%	0.91%
Q3 2014	2.15%	1.16%	2.49%	0.98%	2.42%	0.81%
Q2 2014	2.24%	1.03%	2.53%	0.83%	2.67%	0.78%
Q1 2014	2.46%	1.19%	2.72%	1.07%	2.74%	1.13%
Q4 2013	2.76%	1.33%	3.03%	1.19%	3.02%	1.12%

(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\$	£	€
Q4 2014	1.14	1.80	1.42	1.16	1.81	1.40
Q3 2014	1.09	1.82	1.44	1.12	1.82	1.42
Q2 2014	1.09	1.84	1.50	1.07	1.83	1.46
Q1 2014	1.10	1.83	1.51	1.11	1.84	1.52
Q4 2013	1.05	1.70	1.43	1.06	1.76	1.47

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Questions

