

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 fourth quarter 2016 results, increases dividend by 6%

Winnipeg, February 9, 2017 ... Great-West Lifeco Inc. (Lifeco or the Company) has reported net earnings attributable to common shareholders (net earnings) of \$676 million or \$0.686 per common share for the three months ended December 31, 2016 compared to \$683 million or \$0.688 per common share for the same period in 2015. Included in Lifeco's net earnings for the fourth quarter of 2016 are restructuring costs related to a realignment of Putnam Investments, LLC (Putnam) of \$20 million. Excluding these costs, Lifeco's net earnings for the fourth quarter of 2016 were \$696 million or \$0.707 per common share.

For the twelve months ended December 31, 2016, net earnings were \$2,641 million compared to \$2,762 million for the same period in 2015. This represents \$2.668 per common share for the twelve months ended December 31, 2016 compared to \$2.774 per common share for the same period in 2015.

Consolidated assets under administration at December 31, 2016 were over \$1.2 trillion, an increase of \$36 billion from December 31, 2015.

### Highlights – In Quarter

- The Company declared a quarterly common dividend of \$0.3670 per common share payable March 31, 2017, a 6% increase from the previous quarter.
- Lifeco sales in the fourth quarter of 2016 were \$26.7 billion:
  - Canada sales were \$3.9 billion, up 11%, primarily due to Individual Life Insurance sales up 161% from the fourth quarter of 2015. Group Insurance led the market in sales both in the quarter and for the full year 2016.
  - Europe sales were \$4.4 billion, up 13%, primarily due to strong fund management sales in Ireland partially offset by lower wealth management sales in the U.K. and the negative impact of currency movement.
  - Great-West Financial sales were US\$5.5 billion, down 65%, primarily due to fewer Empower Retirement large plan sales reflecting the variability of the large plan market.
  - Putnam gross sales were US\$8.4 billion, up 3% overall, primarily due to strong mutual fund sales. Mutual fund sales increased 9%, while institutional sales decreased 3%.
- The Company's capital position remained very strong. The Great-West Life Assurance Company reported a Minimum Continuing Capital Surplus Requirements (MCCSR) ratio of 240% at December 31, 2016.
- Lifeco reported a ROE of 13.8%.
- Lifeco returned to the European capital markets in December 2016 with the issuance of 500 million euro-denominated 10-year bonds. The bonds pay an annual coupon of 1.75% and are listed on the Irish Stock Exchange.
- During the fourth quarter of 2016, Putnam announced that it was undertaking US\$65 million in expense reductions and was realigning its resources to better position itself for current and future opportunities. For the three months ended December 31, 2016, the Company incurred restructuring costs relating to these initiatives that reduced net earnings by \$20 million.

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## 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), The Canada Life Assurance Company (Canada Life) and Irish Life Group Limited (Irish Life); Great-West Life & Annuity Insurance Company (Great-West Financial) and Putnam Investments, LLC (Putnam), together with Lifeco's Corporate operating results. 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.

### CANADA

Net earnings for the fourth quarter of 2016 were \$326 million compared to \$262 million in the fourth quarter of 2015. For the twelve months ended December 31, 2016, net earnings were \$1,218 million compared to \$1,195 million for the same period in 2015.

Total sales in the fourth quarter of 2016 of \$3.9 billion increased from \$3.5 billion in the fourth quarter of 2015. This reflects very strong Individual Life Insurance sales up 161% over fourth quarter 2015, strong Group Insurance sales up 33% over fourth quarter 2015 and solid Wealth Group Retirement sales up 29% over the prior year. Total sales for the twelve months ended December 31, 2016 were \$12.9 billion compared to \$12.6 billion for the same period in 2015.

Total Canada segment assets under administration at December 31, 2016 were \$175 billion compared to \$166 billion at December 31, 2015.

### UNITED STATES

Net earnings for the fourth quarter of 2016 were \$55 million compared to \$125 million in the fourth quarter of 2015. Net earnings for the fourth quarter of 2016 reflect Great-West Financial net earnings of \$78 million and a net loss for Putnam of \$3 million, which excludes restructuring costs of \$20 million. For the twelve months ended December 31, 2016, net earnings were \$249 million compared to \$409 million for the same period in 2015.

Great-West Financial sales in the fourth quarter of 2016 were US\$5.5 billion, down from US\$15.5 billion in the fourth quarter of 2015, primarily due to fewer Empower Retirement large plan sales. Sales for the twelve months ended December 31, 2016 were US\$39.3 billion compared to US\$43.2 billion in 2015.

Putnam assets under management as at December 31, 2016 were US\$152.1 billion compared to US\$148.4 billion a year ago, an increase of 3%, primarily due to the cumulative impact of positive markets and net asset inflows during the year from the institutional business. Net asset outflows for the fourth quarter of 2016 were US\$1.5 billion compared to US\$1.2 billion for the same quarter in 2015.

Total United States segment assets under administration at December 31, 2016 were \$841 billion compared to \$808 billion at December 31, 2015.

### EUROPE

Net earnings for the fourth quarter of 2016 were \$307 million, compared to \$303 million in the fourth quarter of 2015. While the Company's domestic businesses continue to perform well following the U.K.'s vote to leave the European Union in June of 2016, net earnings were negatively impacted by \$30 million as a result of a decrease in the exchange rate of the British pound to the Canadian dollar compared to the same quarter last year. For the twelve months ended December 31, 2016, net earnings were \$1,200 million compared to \$1,174 million for the same period in 2015.

Insurance & Annuities sales for the fourth quarter of 2016 were \$4.4 billion, compared to \$3.9 billion a year ago. The increase primarily reflects higher fund management sales in Ireland, partially offset by lower wealth management sales in the U.K. and the impact of currency movement driven by the weakening of the British pound compared to the Canadian dollar. Sales for the twelve months ended December 31, 2016 were \$19.2 billion compared to \$19.5 billion for the same period in 2015, which included two large institutional sales in 2015. Excluding the impact of these two large sales, sales increased by \$4.8 billion primarily due to higher fund management sales in Ireland and higher sales of payout annuities in the U.K., partially offset by the impact of currency movement.

Total Europe segment assets under administration at December 31, 2016 were \$232 billion compared to \$238 billion at December 31, 2015.

#### LIFECO CORPORATE

Lifeco Corporate segment's net loss was \$12 million in the fourth quarter of 2016 compared to \$7 million in the fourth quarter of 2015. For the twelve months ended December 31, 2016, the net loss was \$26 million compared to a net loss of \$16 million for the same period in 2015.

#### QUARTERLY DIVIDENDS

At its meeting today, the Board of Directors approved a quarterly dividend of \$0.3670 per share on the common shares of the Company payable March 31, 2017 to shareholders of record at the close of business March 3, 2017.

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	March 3, 2017	March 31, 2017	\$0.36875
Series G	March 3, 2017	March 31, 2017	\$0.3250
Series H	March 3, 2017	March 31, 2017	\$0.30313
Series I	March 3, 2017	March 31, 2017	\$0.28125
Series L	March 3, 2017	March 31, 2017	\$0.353125
Series M	March 3, 2017	March 31, 2017	\$0.3625
Series N	March 3, 2017	March 31, 2017	\$0.1360
Series O	March 3, 2017	March 31, 2017	\$0.111513
Series P	March 3, 2017	March 31, 2017	\$0.3375
Series Q	March 3, 2017	March 31, 2017	\$0.321875
Series R	March 3, 2017	March 31, 2017	\$0.3000
Series S	March 3, 2017	March 31, 2017	\$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 Group Limited, Great-West Financial and Putnam Investments. Lifeco and its companies have over \$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, which are the basis for data presented in this release, have been prepared in accordance with International Financial Reporting Standards (IFRS) 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 the Company's operations, business, financial condition, expected 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. 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 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 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 the Company's operations will continue substantially in their current state, including, without limitation, with respect to customer behaviour, the Company'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 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 customer responses to new products, impairments of goodwill and other intangible assets, the Company'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, the Company's ability to complete strategic transactions and integrate acquisitions and unplanned material changes to the Company'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 the Company's 2016 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, the Company does not intend to update any forward-looking statements whether as a result of new information, future events or otherwise.

Cautionary note regarding Non-IFRS Financial Measures

This release contains some non-IFRS financial measures. Terms by which non-IFRS financial measures are identified include, but are not limited to, "operating earnings", "constant currency basis", "premiums and deposits", "sales", "assets under management", "assets under administration" and other similar expressions. Non-IFRS financial measures are used to provide management and investors with additional measures of performance to help assess results where no comparable IFRS measure exists. However, non-IFRS financial measures do not have standard meanings prescribed by IFRS and are not directly comparable to similar measures used by other companies. Please refer to the appropriate reconciliations of these non-IFRS financial measures to measures prescribed by IFRS.

*Further information*

Selected financial information is attached.

Lifeco's fourth quarter conference call and audio webcast will be held February 9, 2017 at 3:30 p.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: 416-340-2218
- Participants from North America: 1-866-225-0198
- For International participants: Look up the dial-in information for your location here:  
<https://www.confsolutions.ca/ILT?oss=1P49R8662250198>

A replay of the call will be available from February 9, 2017 to February 16, 2017, and can be accessed by calling 1-800-408-3053 or 905-694-9451 in Toronto (passcode: 7905788#). The archived webcast will be available on [www.greatwestlifeco.com](http://www.greatwestlifeco.com) from February 9, 2017 to February 8, 2018.

Additional information relating to Lifeco, including the 2016 audited consolidated financial statements, Management's Discussion and Analysis (MD&A), Annual Information Form (AIF) 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 twelve months ended	
	December 31 2016	September 30 2016	December 31 2015	December 31 2016	December 31 2015
<b>Premiums and deposits:</b>					
Net premium income (Life insurance, guaranteed annuities and insured health products)	\$ 8,905	\$ 8,334	\$ 6,162	\$ 31,125	\$ 24,501
Policyholder deposits (segregated funds):					
Individual products	3,399	3,211	3,814	13,512	12,983
Group products	1,875	1,875	2,001	7,846	8,609
Self-funded premium equivalents (Administrative services only contracts) <sup>(1)</sup>	691	655	665	2,751	2,625
Proprietary mutual funds and institutional deposits <sup>(1)</sup>	15,169	15,187	15,480	62,232	56,257
<b>Total premiums and deposits<sup>(1)</sup></b>	<b>30,039</b>	<b>29,262</b>	<b>28,122</b>	<b>117,466</b>	<b>104,975</b>
<b>Fee and other income</b>	<b>1,345</b>	<b>1,271</b>	<b>1,333</b>	<b>5,101</b>	<b>5,058</b>
<b>Paid or credited to policyholders<sup>(2)</sup></b>	<b>4,373</b>	<b>10,589</b>	<b>5,532</b>	<b>34,675</b>	<b>22,842</b>
<b>Earnings</b>					
Net earnings - common shareholders	\$ 676	\$ 674	\$ 683	\$ 2,641	\$ 2,762
<b>Per common share</b>					
Basic earnings	0.686	0.682	0.688	2.668	2.774
Dividends paid	0.346	0.346	0.326	1.384	1.304
Book value <sup>(3)</sup>	19.76	19.18	20.06		
<b>Return on common shareholders' equity<sup>(4)</sup></b>					
Net earnings	13.8%	13.8%	14.7%		
<b>Total assets</b>					
Proprietary mutual funds and institutional net assets <sup>(5)</sup>	259,215	256,544	252,480		
<b>Total assets under management<sup>(5)</sup></b>	<b>659,127</b>	<b>658,033</b>	<b>652,415</b>		
Other assets under administration <sup>(6)</sup>	589,291	570,475	560,102		
<b>Total assets under administration</b>	<b>\$ 1,248,418</b>	<b>\$ 1,228,508</b>	<b>\$ 1,212,517</b>		
<b>Total equity</b>	<b>\$ 25,008</b>	<b>\$ 24,256</b>	<b>\$ 25,260</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> Certain comparative figures have been adjusted as described in note 33 to the Company's December 31, 2016 consolidated financial statements.

<sup>(4)</sup> Return on common shareholders' equity is detailed within the "Capital Allocation Methodology" section of the Company's December 31, 2016 Management's Discussion and Analysis.

<sup>(5)</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 of the investment policies.

<sup>(6)</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 December 31		For the years ended December 31	
	2016	2015	2016	2015
<b>Income</b>				
Premium income				
Gross premiums written	\$ 9,989	\$ 7,117	\$ 35,050	\$ 28,129
Ceded premiums	(1,084)	(955)	(3,925)	(3,628)
Total net premiums	<u>8,905</u>	<u>6,162</u>	<u>31,125</u>	<u>24,501</u>
Net investment income				
Regular net investment income	1,507	1,670	6,252	6,271
Changes in fair value through profit or loss	(3,943)	(844)	3,903	(2,010)
Total net investment income	<u>(2,436)</u>	<u>826</u>	<u>10,155</u>	<u>4,261</u>
Fee and other income	1,345	1,333	5,101	5,058
	<u>7,814</u>	<u>8,321</u>	<u>46,381</u>	<u>33,820</u>
<b>Benefits and expenses</b>				
Policyholder benefits				
Gross	8,078	6,060	28,315	22,553
Ceded	(585)	(546)	(2,103)	(2,000)
Total net policyholder benefits	<u>7,493</u>	<u>5,514</u>	<u>26,212</u>	<u>20,553</u>
Policyholder dividends and experience refunds	348	321	1,502	1,477
Changes in insurance and investment contract liabilities	(3,468)	(303)	6,961	812
Total paid or credited to policyholders	<u>4,373</u>	<u>5,532</u>	<u>34,675</u>	<u>22,842</u>
Commissions	853	584	2,602	2,218
Operating and administrative expenses	1,250	1,175	4,799	4,466
Premium taxes	112	92	411	339
Financing charges	75	73	302	303
Amortization of finite life intangible assets	44	37	177	146
Restructuring and acquisition expenses	35	7	63	35
<b>Earnings before income taxes</b>	<u>1,072</u>	<u>821</u>	<u>3,352</u>	<u>3,471</u>
Income taxes	188	66	396	460
<b>Net earnings before non-controlling interests</b>	<u>884</u>	<u>755</u>	<u>2,956</u>	<u>3,011</u>
Attributable to non-controlling interests	177	41	192	123
<b>Net earnings</b>	<u>707</u>	<u>714</u>	<u>2,764</u>	<u>2,888</u>
Preferred share dividends	31	31	123	126
<b>Net earnings - common shareholders</b>	<u>\$ 676</u>	<u>\$ 683</u>	<u>\$ 2,641</u>	<u>\$ 2,762</u>
<b>Earnings per common share</b>				
Basic	<u>\$ 0.686</u>	<u>\$ 0.688</u>	<u>\$ 2.668</u>	<u>\$ 2.774</u>
Diluted	<u>\$ 0.685</u>	<u>\$ 0.686</u>	<u>\$ 2.663</u>	<u>\$ 2.768</u>

# GREAT-WEST LIFECO INC.

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

	December 31	
	2016	2015 <sup>(1)</sup>
<b>Assets</b>		
Cash and cash equivalents	\$ 3,259	\$ 2,813
Bonds	116,773	114,943
Mortgage loans	21,651	22,021
Stocks	8,665	7,873
Investment properties	4,340	5,237
Loans to policyholders	8,467	8,694
	163,155	161,581
Funds held by ceding insurers	10,781	15,512
Goodwill	5,977	5,913
Intangible assets	3,972	4,036
Derivative financial instruments	528	461
Owner occupied properties	649	653
Fixed assets	304	298
Other assets	2,263	2,643
Premiums in course of collection, accounts and interest receivable	4,311	3,553
Reinsurance assets	5,627	5,131
Current income taxes	97	69
Deferred tax assets	1,845	1,891
Investments on account of segregated fund policyholders	200,403	198,194
<b>Total assets</b>	<b>\$ 399,912</b>	<b>\$ 399,935</b>
<b>Liabilities</b>		
Insurance contract liabilities	\$ 155,940	\$ 158,492
Investment contract liabilities	2,009	2,253
Debentures and other debt instruments	5,980	5,395
Capital trust securities	161	161
Funds held under reinsurance contracts	320	356
Derivative financial instruments	2,012	2,624
Accounts payable	2,049	1,755
Other liabilities	3,836	3,367
Current income taxes	549	492
Deferred tax liabilities	1,645	1,586
Investment and insurance contracts on account of segregated fund policyholders	200,403	198,194
<b>Total liabilities</b>	<b>374,904</b>	<b>374,675</b>
<b>Equity</b>		
Non-controlling interests		
Participating account surplus in subsidiaries	2,782	2,626
Non-controlling interests in subsidiaries	224	195
Shareholders' equity		
Share capital		
Preferred shares	2,514	2,514
Common shares	7,130	7,156
Accumulated surplus	11,465	10,416
Accumulated other comprehensive income	746	2,218
Contributed surplus	147	135
<b>Total equity</b>	<b>25,008</b>	<b>25,260</b>
<b>Total liabilities and equity</b>	<b>\$ 399,912</b>	<b>\$ 399,935</b>

<sup>(1)</sup> Certain comparative figures have been reclassified or adjusted as described in note 33 to the Company's December 31, 2016 consolidated financial statements.

GREAT-WEST  
**LIFECO** INC.

**Segmented Information** *(unaudited)*

**Consolidated Net Earnings**

For the three months ended December 31, 2016

	Canada	United States	Europe	Lifeco Corporate	Total
<b>Income</b>					
Total net premiums	\$ 3,597	\$ 1,164	\$ 4,144	\$ —	\$ 8,905
Net investment income					
Regular net investment income	636	440	433	(2)	1,507
Changes in fair value through profit or loss	(1,364)	(1,008)	(1,571)	—	(3,943)
Total net investment income	(728)	(568)	(1,138)	(2)	(2,436)
Fee and other income	386	619	340	—	1,345
	<u>3,255</u>	<u>1,215</u>	<u>3,346</u>	<u>(2)</u>	<u>7,814</u>
<b>Benefits and expenses</b>					
Paid or credited to policyholders	1,444	387	2,542	—	4,373
Other <sup>(1)</sup>	1,110	691	404	10	2,215
Financing charges	29	34	11	1	75
Amortization of finite life intangible assets	17	21	6	—	44
Restructuring and acquisition expenses	—	35	—	—	35
<b>Earnings (loss) before income taxes</b>	<u>655</u>	<u>47</u>	<u>383</u>	<u>(13)</u>	<u>1,072</u>
Income taxes (recovery)	149	(9)	51	(3)	188
<b>Net earnings (loss) before non-controlling interests</b>	<u>506</u>	<u>56</u>	<u>332</u>	<u>(10)</u>	<u>884</u>
Non-controlling interests	178	—	(1)	—	177
<b>Net earnings (loss)</b>	<u>328</u>	<u>56</u>	<u>333</u>	<u>(10)</u>	<u>707</u>
Preferred share dividends	26	—	5	—	31
<b>Net earnings (loss) before capital allocation</b>	<u>302</u>	<u>56</u>	<u>328</u>	<u>(10)</u>	<u>676</u>
Impact of capital allocation	24	(1)	(21)	(2)	—
<b>Net earnings (loss) - common shareholders</b>	<u>\$ 326</u>	<u>\$ 55</u>	<u>\$ 307</u>	<u>\$ (12)</u>	<u>\$ 676</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 December 31, 2015

	Canada	United States	Europe	Lifeco Corporate	Total
<b>Income</b>					
Total net premiums	\$ 3,023	\$ 1,148	\$ 1,991	\$ —	\$ 6,162
Net investment income					
Regular net investment income	654	471	547	(2)	1,670
Changes in fair value through profit or loss	(7)	(320)	(517)	—	(844)
Total net investment income	647	151	30	(2)	826
Fee and other income	369	637	327	—	1,333
	<u>4,039</u>	<u>1,936</u>	<u>2,348</u>	<u>(2)</u>	<u>8,321</u>
<b>Benefits and expenses</b>					
Paid or credited to policyholders	2,799	1,084	1,649	—	5,532
Other <sup>(1)</sup>	819	674	354	4	1,851
Financing charges	29	37	7	—	73
Amortization of finite life intangible assets	16	17	4	—	37
Restructuring and acquisition expenses	—	4	3	—	7
Earnings (loss) before income taxes	376	120	331	(6)	821
Income taxes (recovery)	70	(8)	5	(1)	66
Net earnings (loss) before non-controlling interests	306	128	326	(5)	755
Non-controlling interests	40	2	(1)	—	41
Net earnings (loss)	266	126	327	(5)	714
Preferred share dividends	25	—	6	—	31
Net earnings (loss) before capital allocation	241	126	321	(5)	683
Impact of capital allocation	21	(1)	(18)	(2)	—
Net earnings (loss) - common shareholders	<u>\$ 262</u>	<u>\$ 125</u>	<u>\$ 303</u>	<u>\$ (7)</u>	<u>\$ 683</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 twelve months ended December 31, 2016

	Canada	United States	Europe	Lifeco Corporate	Total
<b>Income</b>					
Total net premiums	\$ 12,471	\$ 5,304	\$ 13,350	\$ —	\$ 31,125
Net investment income					
Regular net investment income	2,668	1,741	1,841	2	6,252
Changes in fair value through profit or loss	692	92	3,119	—	3,903
Total net investment income	3,360	1,833	4,960	2	10,155
Fee and other income	1,494	2,311	1,296	—	5,101
	<u>17,325</u>	<u>9,448</u>	<u>19,606</u>	<u>2</u>	<u>46,381</u>
<b>Benefits and expenses</b>					
Paid or credited to policyholders	11,862	6,271	16,542	—	34,675
Other <sup>(1)</sup>	3,599	2,678	1,511	24	7,812
Financing charges	115	140	45	2	302
Amortization of finite life intangible assets	66	82	29	—	177
Restructuring and acquisition expenses	—	46	17	—	63
<b>Earnings (loss) before income taxes</b>	1,683	231	1,462	(24)	3,352
Income taxes (recovery)	268	(27)	161	(6)	396
<b>Net earnings (loss) before non-controlling interests</b>	1,415	258	1,301	(18)	2,956
Non-controlling interests	191	2	(1)	—	192
<b>Net earnings (loss)</b>	1,224	256	1,302	(18)	2,764
Preferred share dividends	104	—	19	—	123
<b>Net earnings (loss) before capital allocation</b>	1,120	256	1,283	(18)	2,641
Impact of capital allocation	98	(7)	(83)	(8)	—
<b>Net earnings (loss) - common shareholders</b>	<u>\$ 1,218</u>	<u>\$ 249</u>	<u>\$ 1,200</u>	<u>\$ (26)</u>	<u>\$ 2,641</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 twelve months ended December 31, 2015

	Canada	United States	Europe	Lifeco Corporate	Total
<b>Income</b>					
Total net premiums	\$ 11,303	\$ 3,858	\$ 9,340	\$ —	\$ 24,501
<b>Net investment income</b>					
Regular net investment income	2,512	1,676	2,081	2	6,271
Changes in fair value through profit or loss	(358)	(532)	(1,120)	—	(2,010)
Total net investment income	2,154	1,144	961	2	4,261
Fee and other income	1,459	2,378	1,221	—	5,058
	<u>14,916</u>	<u>7,380</u>	<u>11,522</u>	<u>2</u>	<u>33,820</u>
<b>Benefits and expenses</b>					
Paid or credited to policyholders	9,991	4,138	8,713	—	22,842
Other <sup>(1)</sup>	3,143	2,515	1,349	16	7,023
Financing charges	116	144	42	1	303
Amortization of finite life intangible assets	59	69	18	—	146
Restructuring and acquisition expenses	—	12	23	—	35
Earnings (loss) before income taxes	1,607	502	1,377	(15)	3,471
Income taxes (recovery)	285	77	105	(7)	460
Net earnings (loss) before non-controlling interests	1,322	425	1,272	(8)	3,011
Non-controlling interests	111	10	2	—	123
Net earnings (loss)	1,211	415	1,270	(8)	2,888
Preferred share dividends	103	—	23	—	126
Net earnings (loss) before capital allocation	1,108	415	1,247	(8)	2,762
Impact of capital allocation	87	(6)	(73)	(8)	—
Net earnings (loss) - common shareholders	<u>\$ 1,195</u>	<u>\$ 409</u>	<u>\$ 1,174</u>	<u>\$ (16)</u>	<u>\$ 2,762</u>

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