

GREAT-WEST
LIFECO INC.

Quarterly Information
for Analysts and Investors
Q1 2016

Building on our **STRENGTHS.**
Investing in our **FUTURE.**



CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This document 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 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, reinsurance, taxes, inflation, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, investment values, 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, 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 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 2015 Annual MD&A under “Risk Management and Control Practices” and “Summary of Critical Accounting Estimates”, which, along with other filings, is available for review at www.sedar.com. 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”, “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.



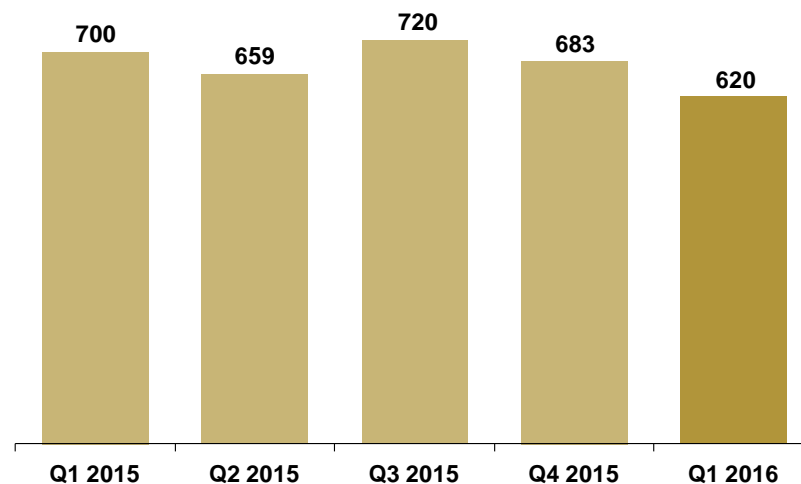
Paul Mahon
President & CEO
Great-West Lifeco

Summary of results

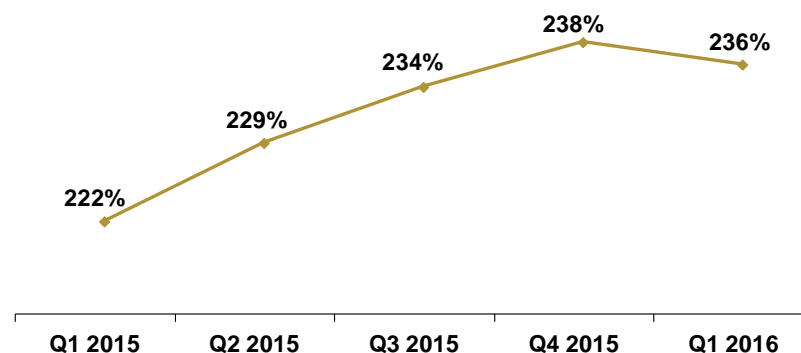
Summary of results

- Earnings of \$620m, down 11%
 - Poor morbidity & mortality experience
 - Market headwinds
 - Yield enhancement solid but lower than Q1/15
- Strong capital position
 - MCCSR of 236%
 - Lifeco cash of \$840m
- Dividend of \$0.3460 per share announced

Earnings (C\$m)



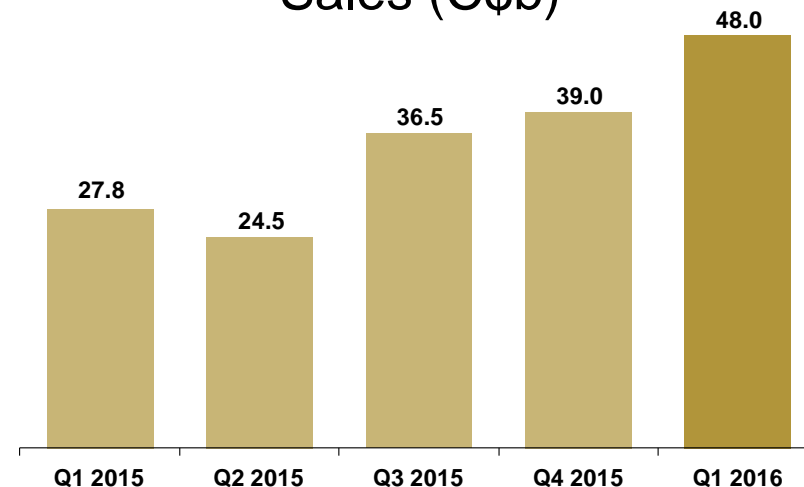
MCCSR



Summary of results – strong U.S. sales

- Lifeco sales up 73%
(58% constant currency)
- Canada
 - Group Insurance up 125%
- U.S.
 - Empower sales of US\$20.0b
- Europe
 - Higher UK payout annuity sales
 - Irish Life Investment Management (ILIM) up 68%

Sales (C\$b)

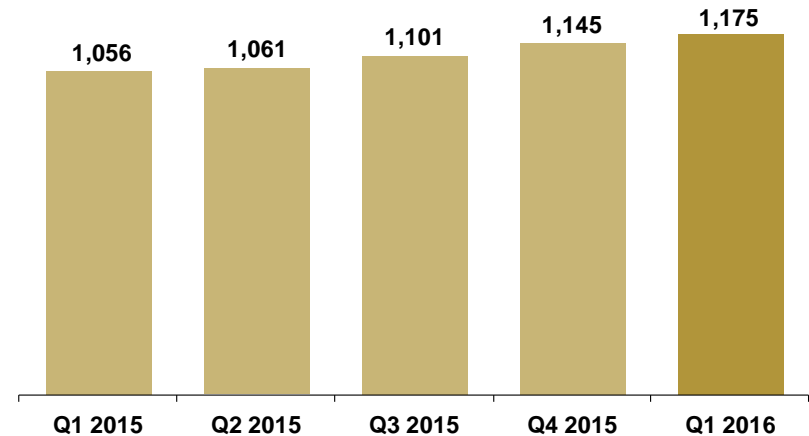


	Canada	U.S.	Europe	Lifeco
Q1 2016	3.3	40.1	4.6	48.0
Q4 2015	3.5	31.6	3.9	39.0
Q1 2015	3.2	20.1	4.5	27.8
YoY	3%	100%	3%	73%
Constant Currency	3%	81%	(4%)	58%

Summary of results – continued expense management

- Lifeco expenses up 11%
(5% constant currency)
- Canada
 - Expense growth moderating
- U.S.
 - Driven by growth in the businesses
 - Putnam expenses lower
- Europe
 - Solvency II related spend leveling off

Expenses (C\$m) ⁽¹⁾



	Canada	U.S.	Europe	Lifeco ⁽¹⁾
Q1 2016	382	569	220	1,175
Q4 2015	370	547	224	1,145
Q1 2015	364	485	203	1,056
YoY	5%	17%	8%	11%
Constant Currency	5%	6%	2%	5%

(1) Lifeco totals include corporate expenses

Summary of results

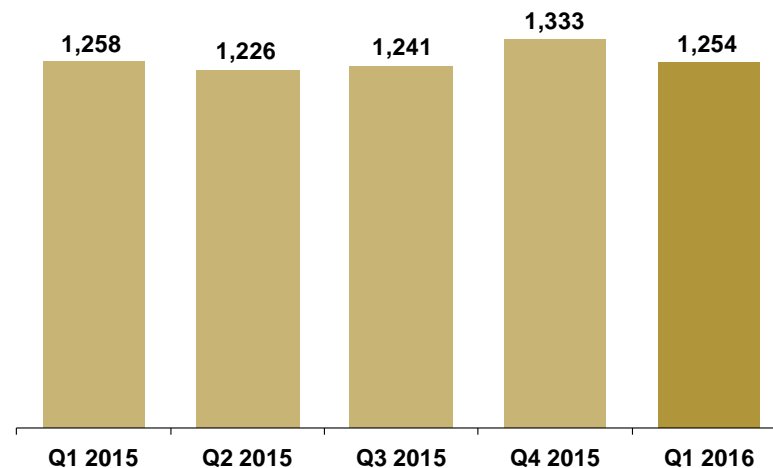
- Lifeco fee income flat YoY
 - Average equity markets lower in all segments:
 - S&P/TSX -14%
 - S&P 500 -5%
 - Eurostoxx 50 -13%
 - AUA comparable YoY

- Canada
 - Positive cash flows offset impact from lower markets

- U.S.
 - Lower market levels in Q1
 - Average assets declined

- Europe
 - Lower markets partially offset by currency

Fee Income (C\$m)



	Canada	U.S.	Europe	Lifeco
Q1 2016	362	571	321	1,254
Q4 2015	369	637	327	1,333
Q1 2015	358	573	327	1,258
YoY	1%	-	(2%)	-
Constant Currency	1%	(10%)	(8%)	(6%)



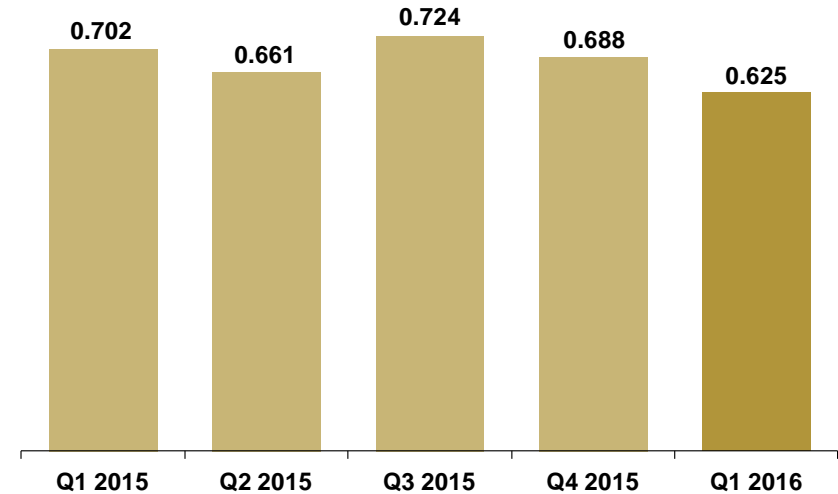
Garry MacNicholas
EVP & CFO
Great-West Lifeco

Financial highlights

Financial highlights

- Q1 earnings of \$620m or \$0.625 per share
- Challenging equity markets in all segments
- Canada's earnings impacted by continued group disability challenges
- Lower equity based fees and yield enhancement in the U.S.
- Lower basis changes and stronger yield enhancement in Europe

Earnings per Share



Earnings (C\$m)

	Canada	U.S.	Europe	Lifeco ⁽¹⁾
Q1 2016	276	63	287	620
Q4 2015	262	125	303	683
Q1 2015	299	121	286	700
YoY	(8%)	(48%)	-	(11%)
Constant Currency	(8%)	(53%)	(5%)	(15%)

(1) Lifeco totals include corporate earnings

Financial highlights

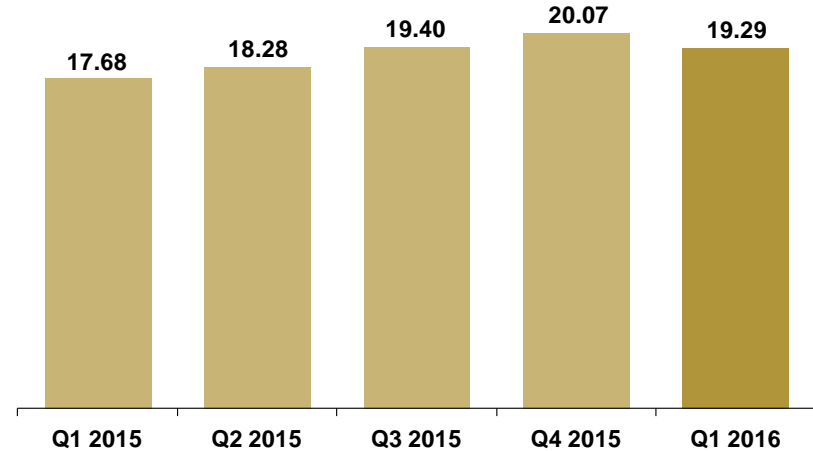
For the three months ended Mar. 31, 2016

Source of Earnings (C\$m)	Canada	U.S.	Europe	Corp.	Q1/16 Total	Q4/15 Total	Q1/15 Total
Expected profit on in-force business	276	109	272	(4)	653	722	626
Impact of new business	(12)	(32)	(24)	-	(68)	(60)	(62)
Experience gains and losses	57	(28)	9	-	38	(61)	244
Management actions and changes in assumptions	12	-	42	-	54	149	98
Other	-	(3)	(1)	-	(4)	(7)	(7)
Earnings on surplus (incl. financing charges)	29	(23)	7	(2)	11	33	53
Net income before tax	362	23	305	(6)	684	776	952
Taxes	(60)	40	(13)	-	(33)	(58)	(218)
Net income before non-controlling interests & preferred dividends	302	63	292	(6)	651	718	734
Non-controlling interests & preferred dividends	(26)	-	(5)	-	(31)	(35)	(34)
Net income – common shareholders	276	63	287	(6)	620	683	700

Financial highlights

- Lifeco cash at quarter end was \$0.8b
- Lifeco book value per share increased 9% from Q1/15

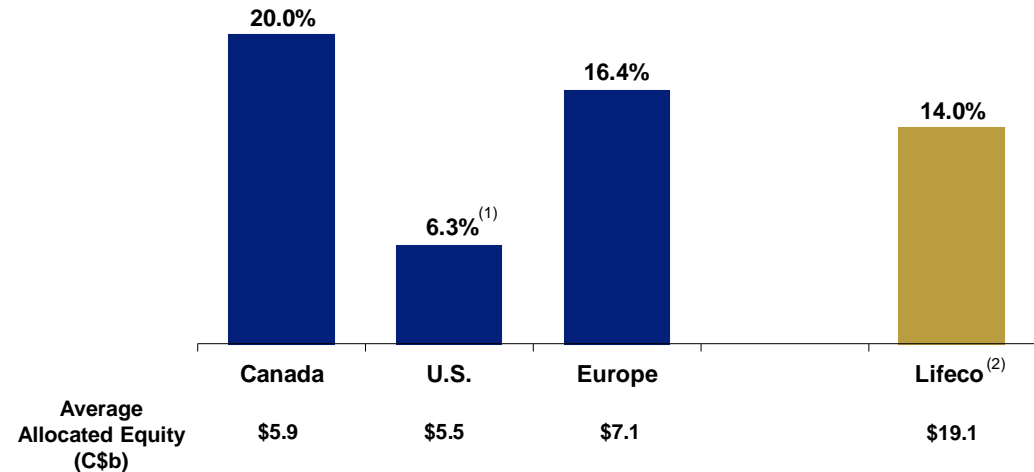
Book Value per Share



- Return on Equity of 14.0%
- ROE decreased from prior year due to lower earnings and higher average equity

Return on Equity

(Trailing 4 quarters)



1) Reported ROE for Great-West Financial of 11.6% and 0.2% for Putnam

2) Lifeco Average Allocated Equity includes \$0.6 billion attributable to Lifeco Corporate

Financial highlights

Assets Under Administration (C\$b)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	YoY
General Fund	194	192	199	202	197	2%
Segregated Fund	187	185	191	198	193	3%
Mutual Fund & Institutional	239	232	239	253	238	-
Other AUA	557	539	525	560	559	-
Total	1,177	1,148	1,154	1,213	1,187	1%

- Total AUA up 1% over Q1 2015
- AUA growth was 3% in Europe, slightly positive in the US, and slightly negative in Canada
- Of \$1.2t total AUA, \$628b is AUM

- Q1 2016 was a challenging quarter, especially compared to a strong Q1 2015
- Our disciplines have not changed and the underlying business remains strong
- We remain committed to our significant investments to drive future growth
- We are confident in our strategic direction and growth prospects

Questions

Appendix

(In C\$m)

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	YoY
Sales						
Individual Insurance	113	138	142	137	125	11%
Group Insurance	126	121	251	135	283	125%
	239	259	393	272	408	71%
Individual Wealth Management	2,504	2,092	1,970	2,411	2,267	(10%)
Group Wealth Management	440	665	581	809	593	35%
	2,944	2,757	2,551	3,220	2,860	(3%)
Total	3,183	3,016	2,944	3,492	3,268	3%
Fee Income						
Group Insurance	39	39	38	41	43	10%
Wealth Management	308	313	310	316	307	-
Corporate	11	14	18	12	12	nmf
Total	358	366	366	369	362	1%
Operating Expenses						
Individual Insurance	98	101	105	111	107	9%
Group Insurance	134	125	125	134	145	8%
Wealth Management	130	114	114	124	126	(3%)
Corporate	2	5	8	1	4	nmf
Total	364	345	352	370	382	5%
Operating Earnings						
Individual Insurance	77	88	91	51	92	19%
Group Insurance	109	96	153	74	67	(39%)
Wealth Management	122	122	116	119	101	(17%)
Corporate	(9)	2	(34)	18	16	nmf
Total	299	308	326	262	276	(8%)

United States

(In US\$m)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	YoY
GWF Sales						
Empower Retirement	7,771	7,562	11,720	15,153	20,029	158%
Individual Markets	206	263	180	340	241	17%
Total	7,977	7,825	11,900	15,493	20,270	154%
Putnam Sales	8,252	6,916	7,818	8,111	9,042	10%
Fee Income						
Empower Retirement	218	220	215	241	212	(3%)
Individual Markets	20	22	18	19	22	10%
Putnam	224	228	217	216	183	(18%)
Total	462	470	450	476	417	(10%)
Operating Expenses						
Empower Retirement	180	189	193	199	202	12%
Individual Markets	15	16	15	19	19	27%
Other	1	1	4	-	1	nmf
Putnam	194	199	189	187	191	(2%)
Restructuring / Acquisition	1	3	2	3	3	nmf
Total	391	408	403	408	416	6%
Operating Earnings⁽¹⁾						
Empower Retirement	38	16	23	29	24	(37%)
Individual Markets	55	39	57	29	39	(29%)
Other	4	3	1	5	4	nmf
Putnam	2	(2)	(6)	31	(18)	nmf
Total	99	56	75	94	49	(51%)

(1) Excludes U.S. Corporate which represents post-tax restructuring costs and acquisition expenses from J.P. Morgan RPS which were US\$1m in Q1/15, US\$1m in Q2/15, US\$2m in Q3/15, US\$2m in Q4/15, and US\$2m in Q1/16

Note: nmf denotes not meaningful

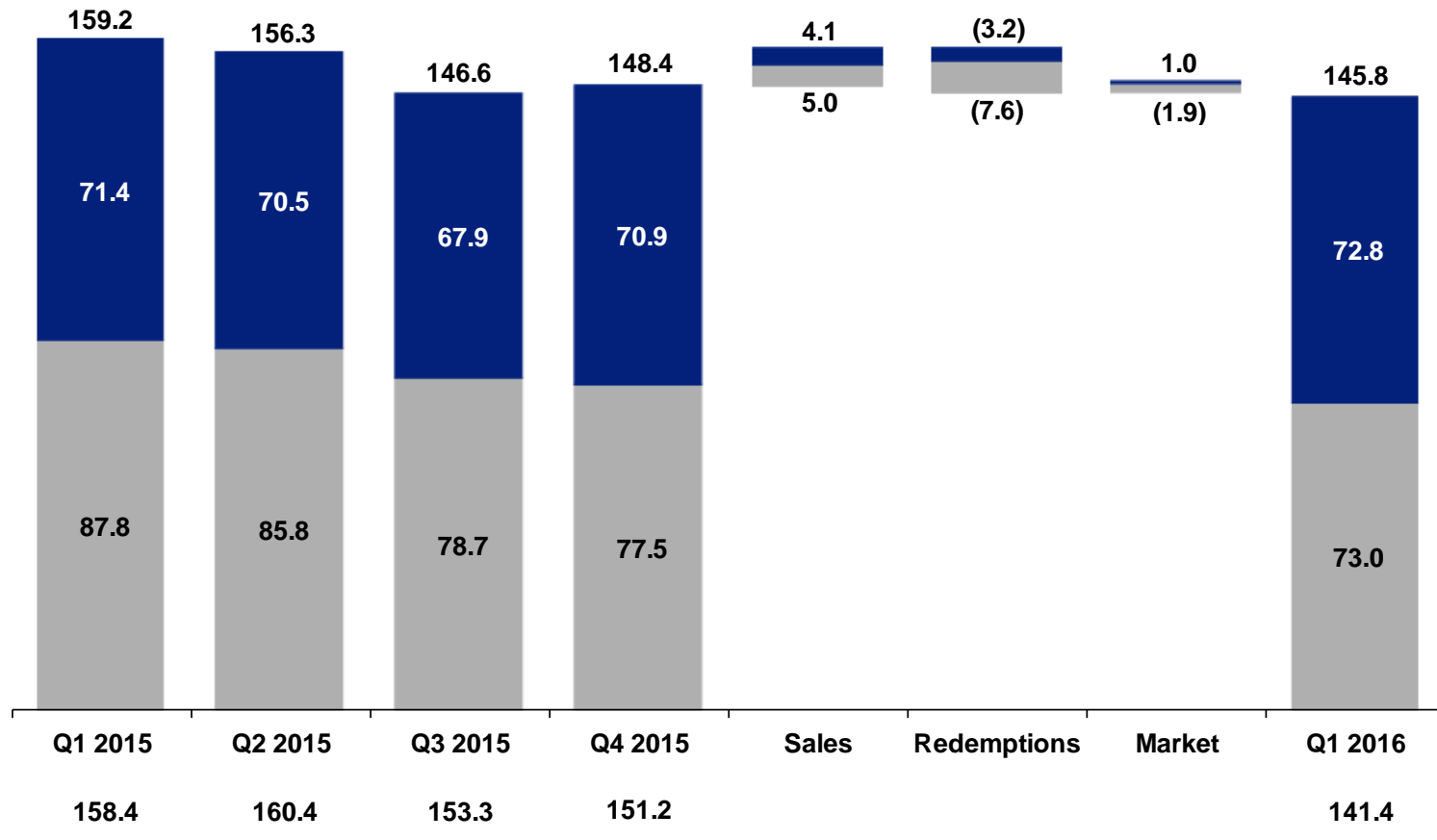
Europe

<i>(In C\$m)</i>	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	YoY	Constant Currency
Sales							
UK / Isle of Man	2,047	523	821	819	651	(68%)	
Ireland / Germany	2,409	2,873	6,895	3,098	3,923	63%	
Total	4,456	3,396	7,716	3,917	4,574	3%	(4%)
Fee Income							
UK / Isle of Man	65	74	71	69	70	8%	
Ireland / Germany	257	203	207	251	246	(4%)	
Reinsurance	5	6	6	7	5	-	
Total	327	283	284	327	321	(2%)	(8%)
Operating Expenses							
UK / Isle of Man	56	58	63	75	55	(2%)	
Ireland / Germany	123	123	136	125	146	19%	
Reinsurance	14	16	14	15	17	21%	
Corporate	4	2	2	6	1	nmf	
Restructuring / Acquisition	6	11	3	3	1	nmf	
Total	203	210	218	224	220	8%	2%
Operating Earnings							
UK / Isle of Man	124	140	176	109	152	23%	
Ireland / Germany	92	67	53	125	74	(20%)	
Reinsurance	77	92	71	73	63	(18%)	
Corporate	(7)	(10)	(4)	(4)	(2)	nmf	
Total	286	289	296	303	287	-	(5%)

Putnam - AUM and flows

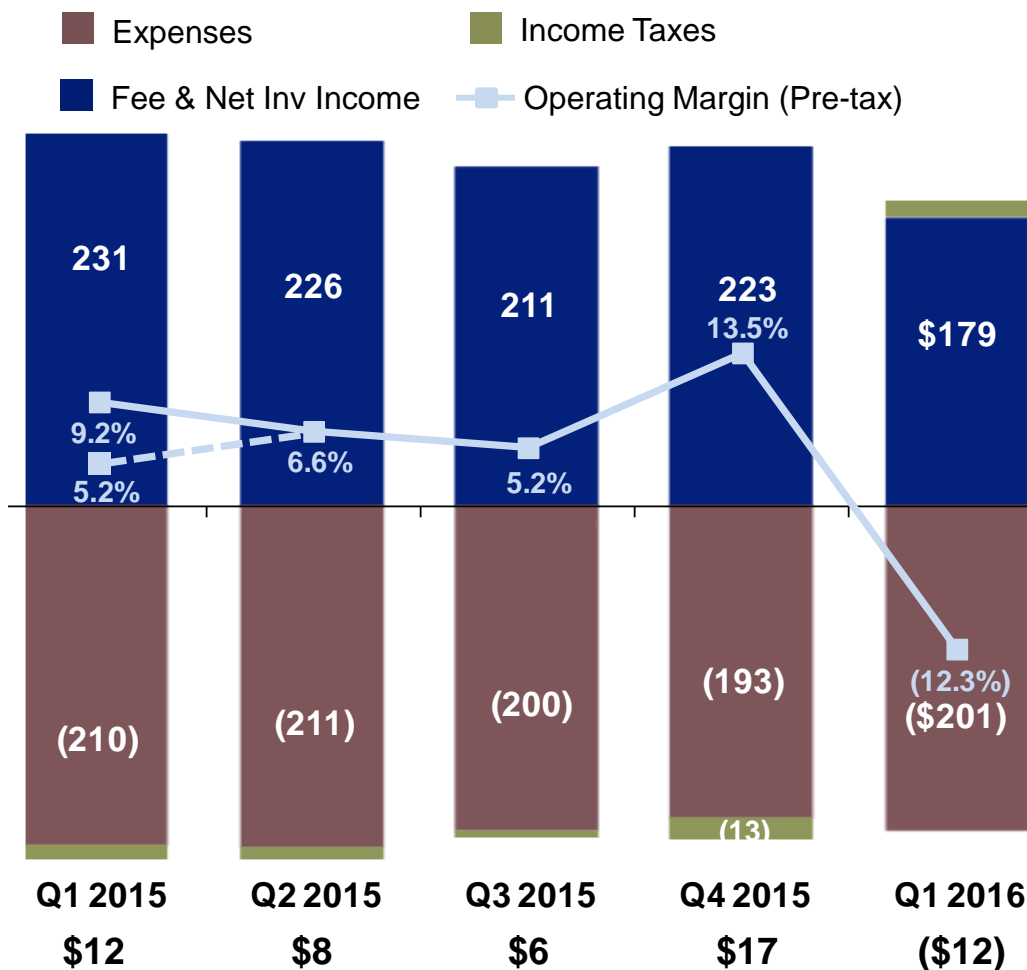
(US\$b)

■ Mutual Funds ■ Institutional



Putnam – Core net earnings

(US\$m)

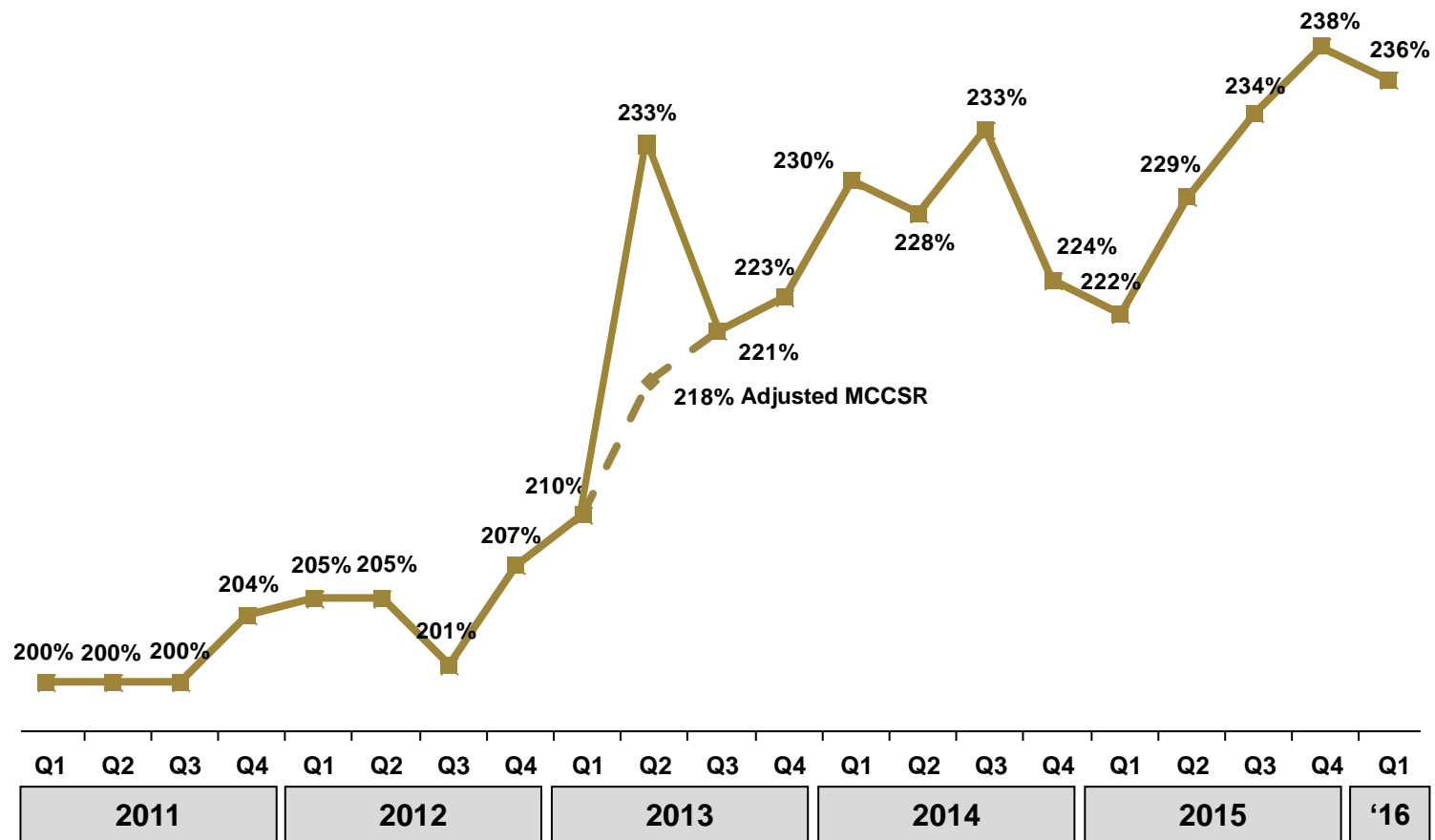


Notes:

Q1/15 includes expense recoveries of US\$9m without which the operating margin (pre-tax) would have been 5.2%

Core net earnings (loss) (a non-IFRS financial measure) is a measure of the Asset Management business unit's performance. Core net earnings (loss) include the impact of dealer commissions and software amortization, and excludes the impact of corporate financing charges and allocations, fair value adjustments related to stock-based compensation, certain tax adjustments and other non-recurring transactions

Consolidated MCCSR ratio

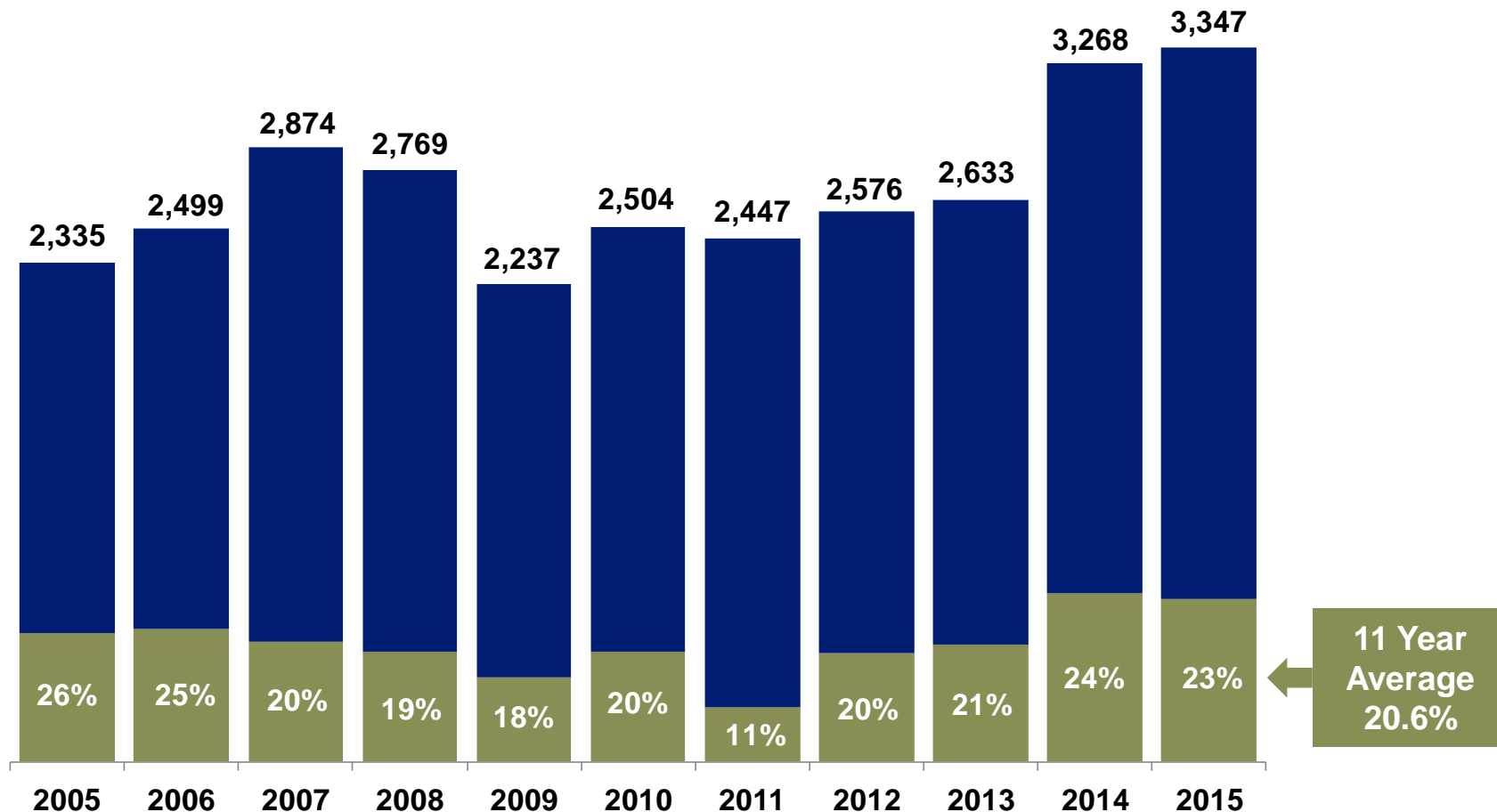


- The Great-West Life Assurance Company's MCCSR of 236% is a 2 point decrease from Q4/15
- Quarterly earnings performance was offset by a combined impact of strong in period business growth, currency movements and fair value increases in capital requirements
- The MCCSR ratio does not include holding company cash which would add approximately 13 points to the ratio

Stable trend over the years

(C\$m)

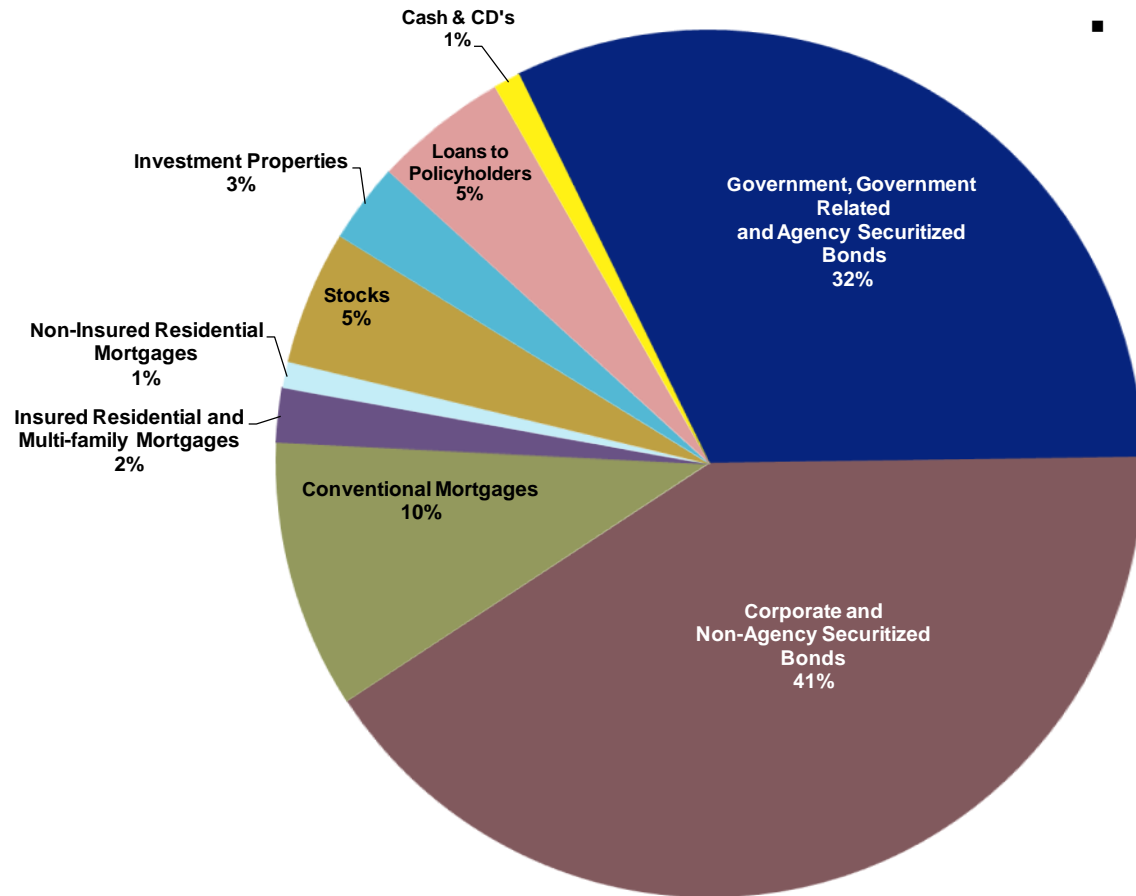
■ Experience Gains (Losses), Management Actions, and Changes in Assumptions as a % of Net Income Before Tax



Note: Experience Gains (Losses), Management Actions, and Changes in Assumptions exclude Putnam for 2008-2012; include Putnam for 2013-2015

Invested asset composition*

- Invested assets at March 31, 2016 were \$170.6bln
- Diversified high quality portfolio:
 - Bonds represent 73% of invested assets (99% are investment grade; 82% 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 (37% in Canada; 63% in UK). Properties are unlevered; UK properties benefit from long term lease contracts



* Includes certain funds held by ceding insurers (carrying value of \$10.9bln)

Lifeco consolidated bond portfolio*

Corporate and Non-Agency Securitized

	Government, Government Related and Agency Securitized	Banking	Other Financial Institutions and REITs	Other Corporate and Non-Agency Securitized	% of Invested Assets	\$ (millions)
United States	5.9%	0.8%	1.6%	16.0%	24.3%	41,591
Canada	12.2%	0.9%	0.7%	6.7%	20.5%	34,646
United Kingdom	8.9%	0.9%	1.9%	6.1%	17.8%	30,544
Ireland	0.3%	0.0%	0.0%	0.1%	0.4%	737
	<u>27.3%</u>	<u>2.6%</u>	<u>4.2%</u>	<u>28.9%</u>	<u>63.0%</u>	<u>107,518</u>
Eurozone (excluding Ireland)						
Germany	1.7%	0.0%	0.1%	1.0%	2.8%	4,730
France	0.6%	0.2%	0.1%	0.6%	1.5%	2,492
Netherlands	0.3%	0.2%	0.1%	0.3%	0.9%	1,567
Spain	0.0%	0.1%	0.0%	0.2%	0.3%	581
Belgium	0.1%	0.0%	0.0%	0.2%	0.3%	563
Italy	0.0%	0.0%	0.0%	0.3%	0.3%	475
Austria	0.3%	0.0%	0.0%	0.0%	0.3%	434
Finland	0.1%	0.0%	0.0%	0.0%	0.1%	234
Luxembourg	0.0%	0.0%	0.0%	0.0%	0.0%	49
Portugal	0.0%	0.0%	0.0%	0.0%	0.0%	14
	<u>3.1%</u>	<u>0.5%</u>	<u>0.3%</u>	<u>2.6%</u>	<u>6.5%</u>	<u>11,139</u>
Other Europe						
Sweden	0.1%	0.1%	0.0%	0.3%	0.5%	798
Switzerland	0.0%	0.1%	0.1%	0.2%	0.4%	739
Norway	0.2%	0.0%	0.0%	0.0%	0.2%	470
Isle of Man	0.1%	0.0%	0.0%	0.0%	0.1%	135
Denmark	0.1%	0.0%	0.0%	0.0%	0.1%	113
Jersey	0.1%	0.0%	0.0%	0.0%	0.1%	86
Guernsey	0.0%	0.0%	0.0%	0.0%	0.0%	77
	<u>0.6%</u>	<u>0.2%</u>	<u>0.1%</u>	<u>0.5%</u>	<u>1.4%</u>	<u>2,418</u>
Asia Pacific						
Australia	0.0%	0.2%	0.1%	0.7%	1.0%	1,509
Japan	0.0%	0.0%	0.0%	0.3%	0.3%	579
Singapore	0.1%	0.0%	0.0%	0.0%	0.1%	226
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%	38
China	0.0%	0.0%	0.0%	0.0%	0.0%	13
	<u>0.1%</u>	<u>0.2%</u>	<u>0.1%</u>	<u>1.1%</u>	<u>1.5%</u>	<u>2,503</u>
All Other	0.8%	0.0%	0.0%	0.1%	0.9%	1,510
Total %	<u>31.9%</u>	<u>3.5%</u>	<u>4.7%</u>	<u>33.2%</u>	<u>73.3%</u>	<u>125,088</u>
Total \$ (millions)	<u>53,907</u>	<u>6,037</u>	<u>8,265</u>	<u>56,879</u>	<u>125,088</u>	

*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>Non-Agency Securitized</u>	
Utilities	9.0%	ABS	2.4%
Consumer Products	5.7%	CMBS	2.2%
Industrial Products	4.4%	RMBS	1.0%
Banking	3.5%	Covered	0.6%
Other Financial Institutions	3.1%	Total Securitized	<u>6.2%</u>
Energy	2.8%		
Transportation	2.2%	Total Corporates and Non-Agency Securitized	<u>41.4%</u>
Communications	1.8%		
REITS	1.6%		
Technology	1.1%		
Total Corporates	<u>35.2%</u>		

*Includes certain funds held by ceding insurers

Direct energy exposure - bonds

(C\$m) Carrying Value Sub-Sector	Credit Rating					Total	% of Lifeco IA	Amortized Cost
	AAA	AA	A	BBB	BB & Lower			
Midstream	-	-	1,000	1,116	66	2,182	1.3%	2,129
Integrated	4	426	546	125	-	1,101	0.7%	1,060
Independent	-	-	200	489	30	719	0.4%	732
Oil Field Services	-	15	216	230	29	490	0.3%	502
Refining	-	-	45	188	-	233	0.1%	226
Government Agency	-	273	51	38	19	381	0.2%	364
Total	4	714	2,058	2,186	144	5,106	3.0%	5,013
% of Total	0.1%	14.0%	40.3%	42.8%	2.8%			
% of IA	0.0%	0.4%	1.2%	1.3%	0.1%			

- Bond holdings in the oil and gas sector total \$5.1 billion (3% of invested assets)
- Approximately 97% are rated investment grade
- Holdings are diversified across sub-sectors, with only \$1.2 billion (0.7% of invested assets) in the Independent and Oil Field Services sub-sectors

Indirect energy exposure – Commercial Mortgages and Investment property

(C\$m) City/Region	Property Type					Total	% of Lifeco IA
	Multi Family ⁽¹⁾	Retail	Office	Industrial	Other ⁽²⁾		
Calgary, Alberta	121	341	387	267	158	1,274	0.8%
Edmonton, Alberta	474	148	187	207	57	1,073	0.6%
Total Calgary & Edmonton	595	489	574	474	215	2,347	1.4%
Texas/Other	183	85	89	60	92	509	0.3%
Total	778	574	663	534	307	2,856	1.7%
% of Total	27.2%	20.1%	23.2%	18.7%	10.7%		
% of IA	0.5%	0.3%	0.4%	0.3%	0.2%		

(1) Includes \$542 million of insured

(2) Includes \$69 million of insured

- Holdings in the province of Alberta totaled \$2.3 billion (mortgages \$2.0 billion; investment properties \$0.3 billion), including \$0.6 billion of insured mortgages. Non-insured holdings in the province of Alberta represent 1% of invested assets. Holdings are well diversified by property type with a weighted average mortgage LTV of less than 55%.
- Office property commercial mortgage holdings in Calgary total \$0.4 billion (0.2% of invested assets) with a weighted average LTV of less than 55%
- Holdings outside of Alberta are commercial mortgages primarily in the state of Texas

In-Quarter Developments

- Credit experience related to impairments and rating changes impacted shareholders' net earnings by \$10 million in the quarter

Total Credit Impact on Shareholders' Net Earnings					
(\$ millions)	2015				2016
	Q1	Q2	Q3	Q4	Q1
Credit (impairments) / recoveries	3	4	1	(1)	(4)
Credit (downgrades) / upgrades	(6)	(16)	(8)	(25)	14
Total Impact	(3)	(12)	(7)	(26)	10

Currency

	Income & Expenses			Balance Sheet		
	US\$	£	€	US\$	£	€
Q1 2016	1.37	1.96	1.51	1.30	1.87	1.48
Q4 2015	1.34	2.03	1.46	1.38	2.04	1.50
Q3 2015	1.31	2.03	1.46	1.34	2.02	1.50
Q2 2015	1.23	1.89	1.36	1.25	1.96	1.39
Q1 2015	1.24	1.88	1.40	1.27	1.88	1.36