



GREAT-WEST
FINANCIAL

Bright tomorrows begin today®

2013 REPORT

Partnership. Integrity. Commitment.



CORPORATE HEADQUARTERS

8515 E. Orchard Road, Greenwood Village, Colorado 80111
303.737.3000 • www.greatwest.com



CORPORATE PROFILE

Great-West Financial® offers a wide range of life insurance, retirement and investment products and services designed to take its customers to and through retirement. Its 3,300 employees serve individuals, businesses and other private and public organizations throughout the United States, Puerto Rico, Guam and the U.S. Virgin Islands.

Headquartered in metro Denver with more than 50 offices around the country, Great-West Financial distributes products and services through its sales and service professionals and brokers, consultants, advisors, third-party administrators and financial institutions.

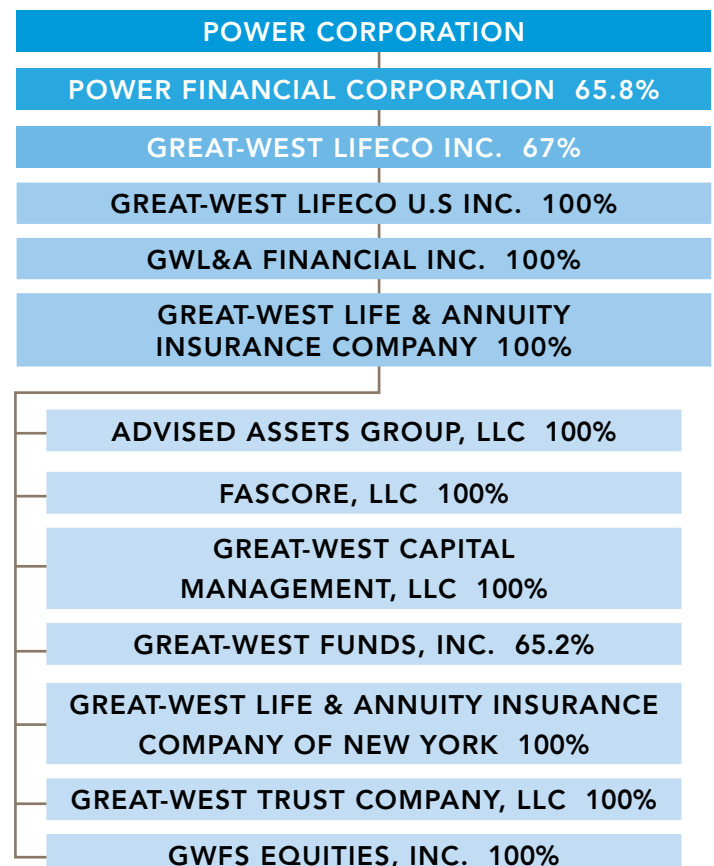
Great-West Financial provides a variety of retirement plan products and investment options as well as education, enrollment and communication services to employer-sponsored defined contribution and associated defined benefit plans. In addition, it offers fund management, investment and advisory services as well as comprehensive administrative and record-keeping services for plan providers. Great-West Financial also offers individual retirement accounts, life insurance, annuities and executive benefits products.

Employees embody the company's values of partnership, integrity and commitment as they work with customers and intermediaries throughout the country. They pride themselves on helping Great-West Financial's 5.4 million customers create a bright financial future where retirement is only the beginning.

Great-West Financial believes it is also important to help build stronger communities. Its [Community Partnership](#) program is dedicated to giving back to the community in a variety of ways, including through a financial literacy initiative, community sponsorships, employee matching gift program and volunteer activities. In 2013 it donated \$1.6 million to communities nationwide.

A trusted partner, Great-West Financial has more than a century of financial services experience. Great-West Life & Annuity Insurance Company (GWL&A) and, in New York, Great-West Life & Annuity Insurance Company of New York (together, Great-West Financial) have strong ratings from major rating agencies. For current ratings and more information, visit www.greatwest.com.

GWL&A is an indirect, wholly owned subsidiary of Great-West Lifeco Inc. (Lifeco) and "A Member of the Power Financial Corporation Group of Companies"®. Lifeco is an international financial services holding company with interests in life insurance, health insurance, retirement and investment services, asset management and reinsurance businesses. Its subsidiaries make it the sixth largest company by market value in the North American life insurance sector.



Great-West Financial® refers to products and services provided by Great-West Life & Annuity Insurance Company (GWL&A), Corporate Headquarters: Greenwood Village, CO; Great-West Life & Annuity Insurance Company of New York, Home Office: White Plains, NY; and their subsidiaries and affiliates. "A Member of the Power Financial Corporation Group of Companies" is a registered mark of Power Corporation of Canada. Other than those owned by Power Corporation, the trademarks, service marks and design elements used are owned by GWL&A.

PRESIDENT'S MESSAGE



Our new Great-West Financial® brand and the nine initiatives of our strategic plan contributed to solid growth in 2013.

In a survey published by *Plan Adviser* magazine in September, 401(k) plan advisers voted Great-West Financial No. 1 in best value for price and best wholesalers. We also ranked sixth for reputation, after not placing in the Top 10 the previous year.

Improved name recognition combined with strategic initiatives contributed to a 39% increase in sales over 2012. Total 401(k) sales rose 25%, while public/non-profit sales soared 104%. With the addition of a large government client, Great-West Financial provides recordkeeping, administration or investment services to 20 of the 50 United States, more than any other provider.

Individual Retirement Account sales increased 45% over 2012. Annuity sales through our financial institution partners jumped 93% and sales in our Executive Benefits Markets community bank segment rose 28%. Despite a decrease in retail bank life insurance sales across the United States, we maintained our No. 2 market rank with 23% market share, according to BISRA.

As noted on the following pages, our 2013 net income was \$129 million. The decrease from 2012 was mainly due to realized investment losses in 2013, primarily driven by forward settling to-be-announced security transactions, compared to realized investment gains in 2012.

Fee income increased 15% to \$619 million in 2013. Assets in the Great-West Lifetime Funds grew 44% to \$5.3 billion. The 14th largest target date fund offering in the United States, the Lifetime Funds improved their ranking to ninth in net flows among target date fund families in 2013, according to Morningstar Direct data. Managed account assets rose 32% to more than \$8 billion.

In February 2014, after more than 35 years in the business world, including 20-plus with Great-West Financial and affiliated companies, I announced I am retiring in May. In March 2014, Robert L. Reynolds was appointed President and CEO of Great-West Lifeco U.S., the holding company that owns Great-West Financial and Putnam Investments.

Mr. Reynolds – who will continue as President and CEO of Putnam Investments – will succeed me as President and CEO of Great-West Financial. We are working together to integrate Putnam's retirement business with Great-West Financial's.

We also announced in April 2014 that Great-West Financial plans to acquire the J.P. Morgan Retirement Plan Services business. With the addition of Putnam's retirement business and J.P. Morgan's large-plan record-keeping business, Great-West Financial will have strong market share in all segments of the defined contribution market.

Raymond L. McFeetors retired as Chairman of our Board last July. R. Jeffrey Orr, President and CEO, Power Financial Corporation, was elected Chairman. Board member T. Timothy Ryan Jr. stepped down and Paul A. Mahon, President and CEO, Great-West Lifeco Inc., was elected.

On behalf of our Board of Directors, I wish to acknowledge the dedication of Great-West Financial's employees and thank our clients, advisors, consultants and business colleagues for their support. Our company's promising future is due in large part to these individuals who embody Great-West Financial's values of partnership, integrity and commitment.

Sincerely,

MITCHELL T.G. GRAYE,
President and Chief Executive Officer

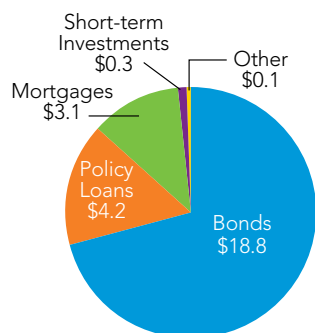
FINANCIAL INFORMATION

BALANCE SHEET <i>Dollars in Millions</i>	2013	2012
ASSETS		
Bonds	18,805.6	18,555.9
Mortgages	3,134.3	2,881.2
Policy loans	4,185.4	4,260.2
Short-term investments	294.3	266.3
Other investments	96.8	146.8
TOTAL INVESTED ASSETS	26,516.4	26,110.4
Cash	7.5	11.4
Receivables	949.6	978.7
Assets of discontinued operations*	29.0	33.1
Other assets	1,190.1	1,079.5
TOTAL GENERAL ACCOUNT	28,692.6	28,213.1
Separate account assets	26,630.9	24,605.5
TOTAL ASSETS	55,323.5	52,818.6
LIABILITIES		
Policyholder	25,373.7	24,250.3
General	1,414.2	1,793.4
Liabilities of discontinued operations*	29.0	33.1
Separate account	26,630.9	24,605.5
TOTAL LIABILITIES	53,447.8	50,682.3
Stockholder's equity	1,875.7	2,136.3
TOTAL LIABILITIES AND EQUITY	55,323.5	52,818.6

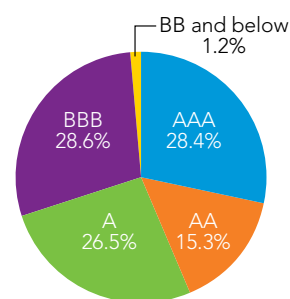
*Great-West Financial completed the sale of its healthcare division in 2008 to focus on expanding its financial services business. The financial information presented here reflects the discontinuation of the healthcare business.

INVESTED ASSETS

(Dollars in Billions)



PORTFOLIO QUALITY



FINANCIAL INFORMATION

STATEMENT OF INCOME	2013	2012	2011
<i>Dollars in Millions</i>			
REVENUES			
Premiums	464.1	422.2	523.2
Fee income	618.1	535.8	486.8
Other Revenue	7.4	-	-
Net investment income	1,091.4	1,191.5	1,158.5
Net realized gains (losses)	(14.1)	116.7	24.5
TOTAL REVENUES	2,166.9	2,266.2	2,193.0
BENEFITS AND EXPENSES			
Policy benefits	650.6	682.1	645.6
Increase in future policy benefits	5.6	(66.7)	18.8
Interest paid or credited to contractholders	505.7	519.5	529.3
Provision for policyholders' share of earnings on participating business	4.0	(0.6)	2.9
Policyholder dividends	66.3	64.0	67.3
Operating expenses	747.2	694.5	633.1
TOTAL BENEFITS AND EXPENSES	1,979.4	1,892.8	1,897.0
Income before income taxes	187.5	373.4	296.0
Income tax expense	58.8	135.3	93.8
NET INCOME	128.7	238.1	202.2

AT A GLANCE

TOTAL ASSETS ADMINISTERED

\$243.5 billion

INDIVIDUAL ACCOUNTS

544,000

RECORDKEEPING ACCOUNTS

4.9 million

RETURN ON COMMON EQUITY

6.4%

EMPLOYEES

3,300

OFFICES

More than 50 locations across the country

DIRECTORS AND OFFICERS

BOARD OF DIRECTORS

R. Jeffrey Orr ^{(1) (3) (4) (6) (7)}

Chairman of the Board,
Great-West Life & Annuity Insurance Company

Chairman of the Boards of Great-West Lifeco Inc. (Lifeco),
The Great-West Life Assurance Company (Great-West Life),
The Canada Life Assurance Company (Canada Life) and
London Life Insurance Company (London Life)

President and Chief Executive Officer,
Power Financial Corporation (Power Financial)

John L. Bernbach ^{(4) (5)}

President, Engine USA

André Desmarais ^{(1) (3) (4) (6) (7)}

Deputy Chairman, President and Co-CEO,
Power Corporation of Canada (Power Corporation)
Co-Chairman, Power Financial

Paul Desmarais, Jr. ^{(1) (3) (4) (6) (7)}

Chairman and Co-CEO, Power Corporation
Co-Chairman, Power Financial

Mitchell T.G. Graye ^{(1) (3) (7)}

President and CEO,
Great-West Life & Annuity Insurance Company

Alain Louvel ^{(2) (5)}

Corporate Director

Paul A. Mahon ^{(1) (3) (6) (7)}

President and CEO,
Lifeco, Great-West Life, Canada Life and London Life

Raymond L. McFeetors ^{(1) (3) (7)}

Corporate Director

Jerry E.A. Nickerson ⁽²⁾

Chairman of the Board, H.B. Nickerson & Sons Limited

Michel Plessis-Bélair

Vice Chairman, Power Corporation

Henri-Paul Rousseau ^{(1) (3) (7)}

Vice Chairman, Power Corporation

Raymond Royer ⁽²⁾

Corporate Director

Jerome J. Selitto ^{(1) (3) (7)}

Corporate Director

Gregory D. Tretiak ^{(1) (2) (3) (7)}

Executive Vice President and Chief Financial Officer,
Power Corporation

Brian E. Walsh ^{(1) (3) (4) (6) (7)}

Chairman and Chief Investment Officer,
Saguenay Strathmore Capital, LLC

(1) Member of the Executive Committee

(2) Member of the Audit Committee

(3) Member of the Investment and Credit Committee

(4) Member of the Governance and Nominating Committee

(5) Member of the Conduct Review Committee

(6) Member of the Compensation Committee

(7) Member of the Risk Committee

EXECUTIVE OFFICERS

Mitchell T.G. Graye

President and Chief
Executive Officer

Charles P. Nelson

President,
Retirement Services

Robert K. Shaw

Executive Vice President,
Individual Markets

Miles R. Edwards

Senior Vice President,
FAScore Operations

Ernie P. Friesen

Senior Vice President and
Chief Investment Officer,
General Account

Joseph S. Greene

Senior Vice President and
Chief Marketing Officer

Scot A. Miller

Senior Vice President and
Chief Information Officer

Richard G. Schultz

Senior Vice President,
General Counsel and
Secretary

Catherine S. Tocher

Senior Vice President and
Chief Investment Officer,
Separate Accounts

Suzanne M. Sanchez

Vice President,
Human Resources