

# GREAT-WEST LIFECO INC.

THE  
**Great-West Life**  
ASSURANCE  COMPANY



## Delivering on our Commitments Today and Tomorrow

**BMO Capital Markets 6<sup>th</sup> Annual Fixed Income Insurance Conference**  
**Gord Menzie, SVP, Corporate Finance and Treasury**

**CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION**

This document 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 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.

# Company snapshot



- Global financial services holding company with interests in life insurance, health insurance, retirement and investment services, asset management and reinsurance
- Operations in Canada, Europe and the U.S. through Great-West Life, London Life, Canada Life, Irish Life, Great-West Financial and Putnam Investments
- \$1.3 trillion in assets under administration<sup>1</sup> and market capitalization of \$34 billion

## Canada

- #1 or #2 market share in all major segments with a diversified product mix
- Distribution platform based on three distinct brands



## Europe & Reinsurance

- Market leader in UK group risk and strong position in U.K. payout annuities
- Leading market positions across our Irish Life business
- Fast growing position in the German unit-linked broker market
- Profitable and diversified Reinsurance business



Irish Life



Canada Life



LONDON  
REINSURANCE GROUP

## U.S.

- #2 U.S. record keeper for DC retirement plans with over 8.2M participants<sup>1</sup>
- 35% market share of bank-sold life insurance
- Globally diversified asset management platform



GREAT-WEST  
FINANCIAL™



Putnam  
INVESTMENTS



EMPOWER  
RETIREMENT™

Note: All references to dollars throughout this presentation are Canadian Dollars unless otherwise noted; Market Capitalization as of May 9, 2017

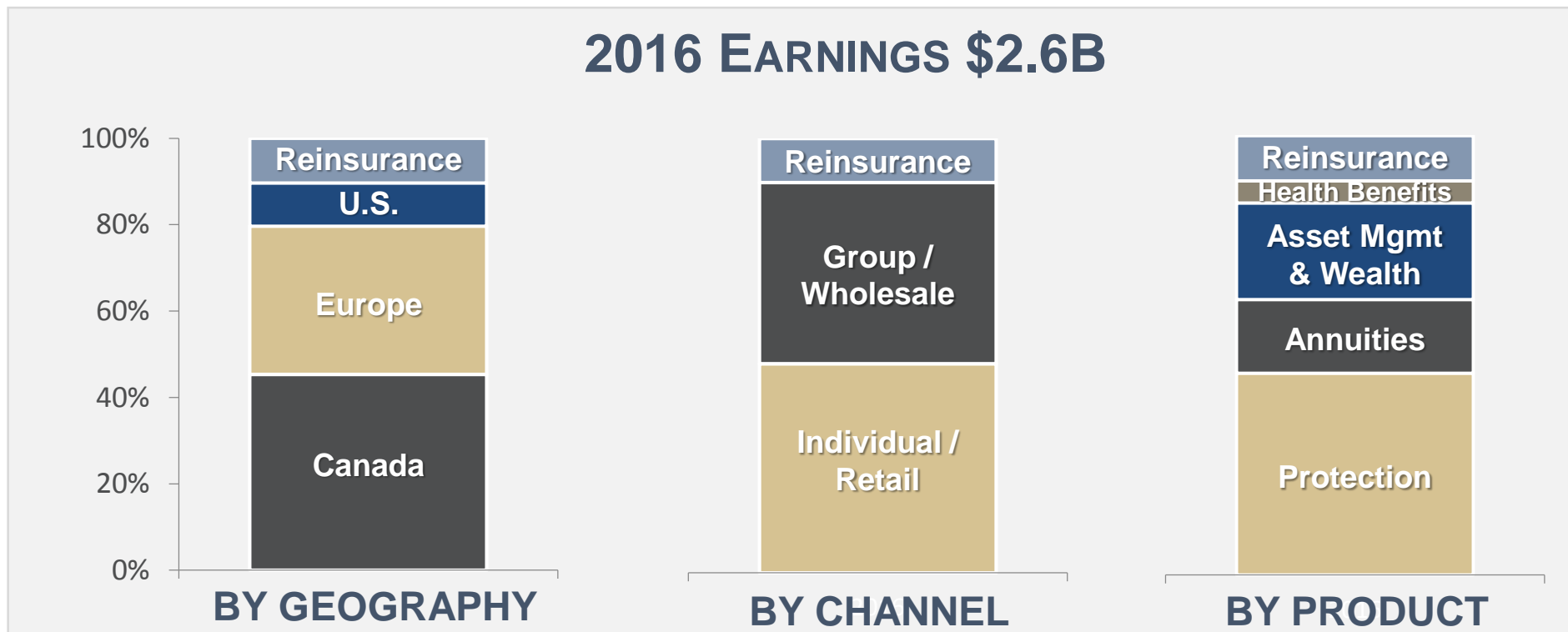
<sup>1</sup> As of Q1 2017

# Diversified across geographies, channels and products

EMPLOYEES	
U.S.	7,400
Europe	4,500
Canada	12,500

MARKET REACH	
Customers	30M
Advisors	240K

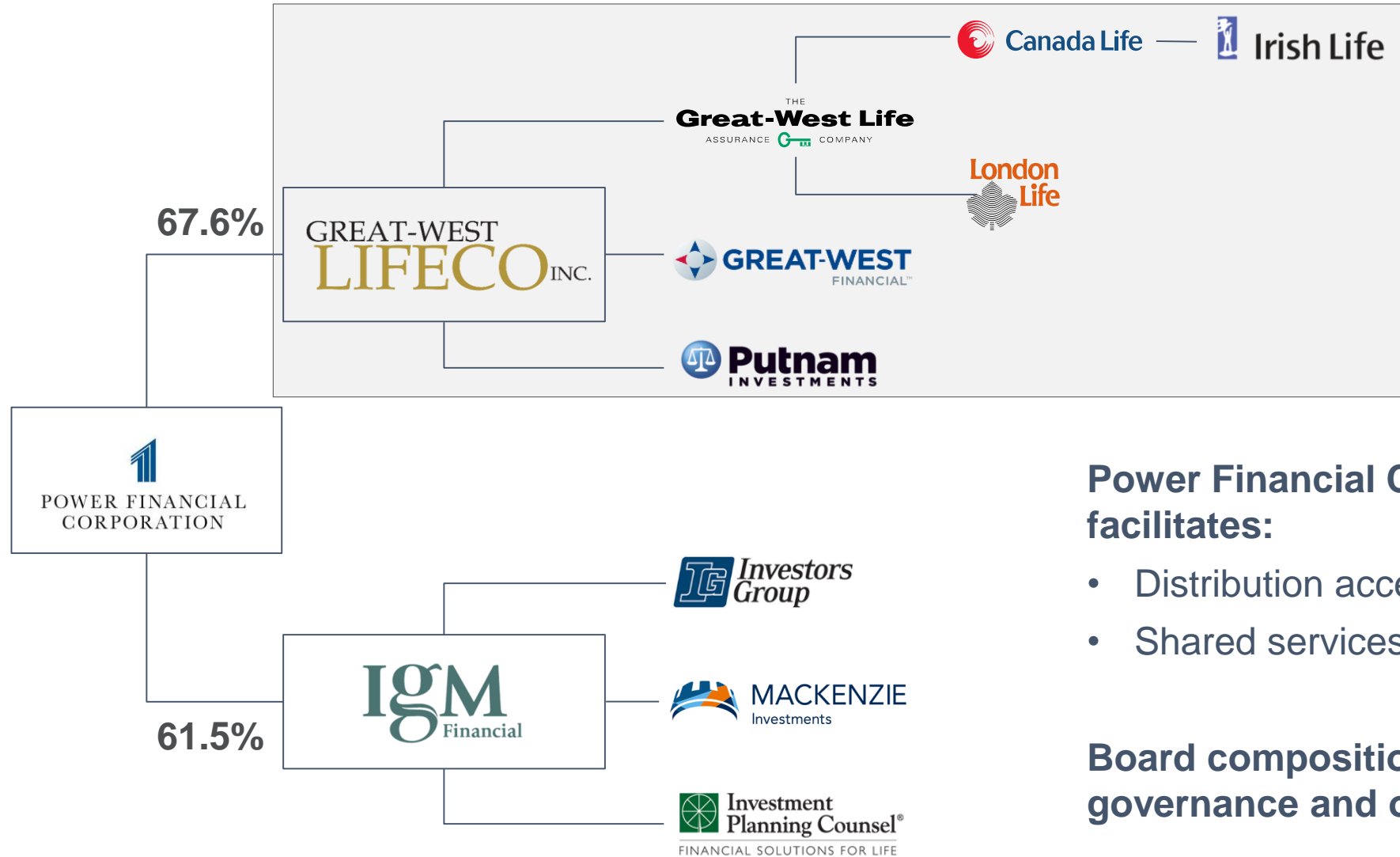
SCALE	
Benefits paid	\$28B
AUA	\$1.3T



Note: AUA as of March 31, 2017

# Significant benefits from corporate structure

(As of March 31, 2017)



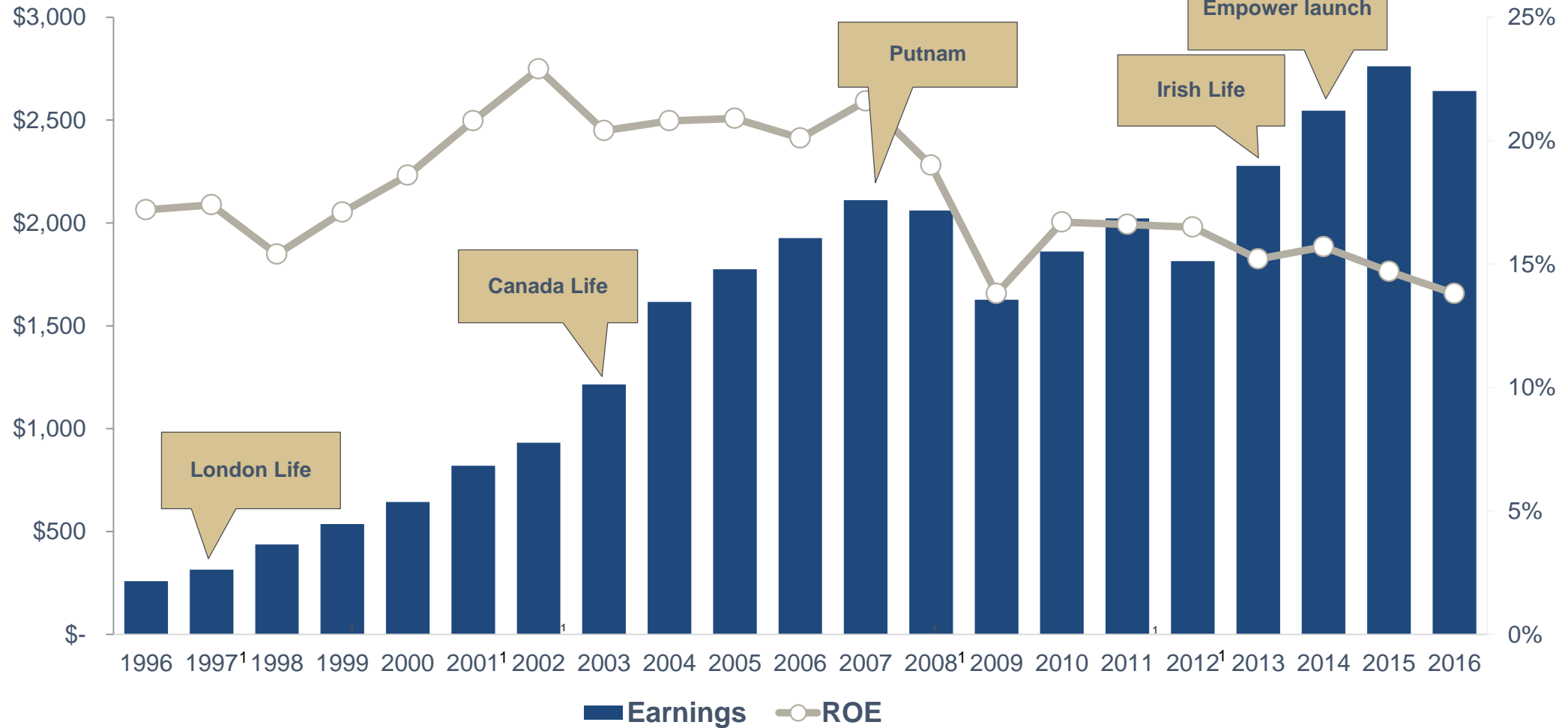
## Power Financial Corporation relationship facilitates:

- Distribution access to IGM platforms
- Shared services with IGM

## Board composition delivers strong governance and oversight

# A long track record of consistent execution

Net Earnings – Common Shareholders C\$M



Note: Figures in CAD

1. Adjusted net earnings – common shareholders as reported in each period's year-ending audited financials

# Key company metrics<sup>1</sup>

<b>2016 Operating Earnings</b>	<b>\$2.6</b>
<b>2016 Sales</b>	<b>\$130</b>
<b>Assets Under Management</b>	<b>\$659</b>
<b>Assets Under Administration</b>	<b>\$1,248</b>
<b>Book Value per Share<sup>2</sup></b>	<b>\$19.76</b>
<b>Market Capitalization</b>	<b>\$35</b>

<b>Holding Company Cash</b>	<b>\$1.1</b>
<b>2016 Financial Leverage</b>	<b>28%</b>
<b>Financial Strength Ratings<sup>3</sup></b>	
<b>S&amp;P</b>	<b>AA</b>
<b>Moody's</b>	<b>Aa3</b>
<b>Regulatory Capital Ratios</b>	
<b>MCCSR</b>	<b>240%</b>
<b>RBC</b>	<b>458%</b>

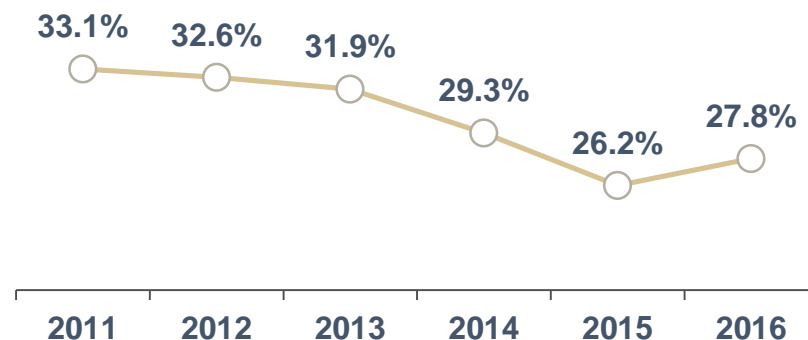
1. As of December 31, 2016, in C\$billions unless otherwise indicated
2. Book Value per Common Share
3. Financial strength ratings for The Great-West Life Assurance Company

# Strong liquidity and credit profile

## Strong Liquidity & Credit Ratings Profile

Financial Strength Ratings	GWL (Opco)	Lifeco (Holdco)
A.M. Best	A+	
DBRS	AA	A (high)
Fitch	AA	A
Moody's	Aa3	
S&P	AA	A+

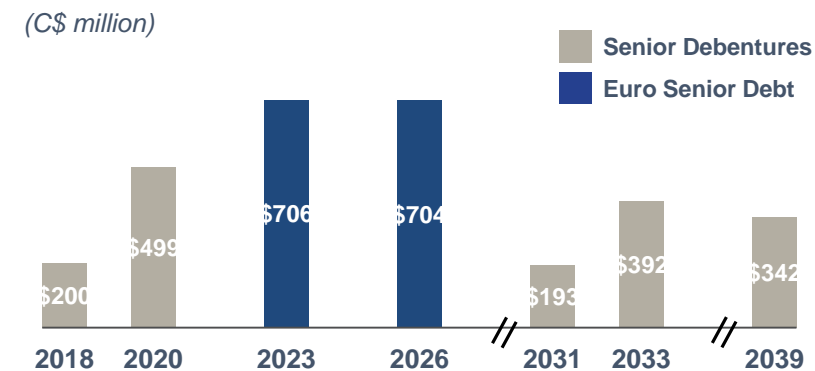
## Declining Leverage Ratio



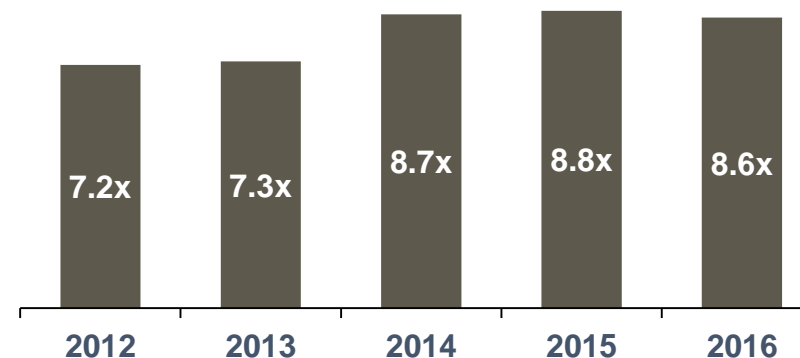
Note: All metrics represent metrics for Great-West Lifeco Inc.

1. Coverage Multiple calculated as earnings before interest & taxes minus adjustments divided by interest & preferred dividend requirements.

## Well Laddered Senior Debt Maturity Profile



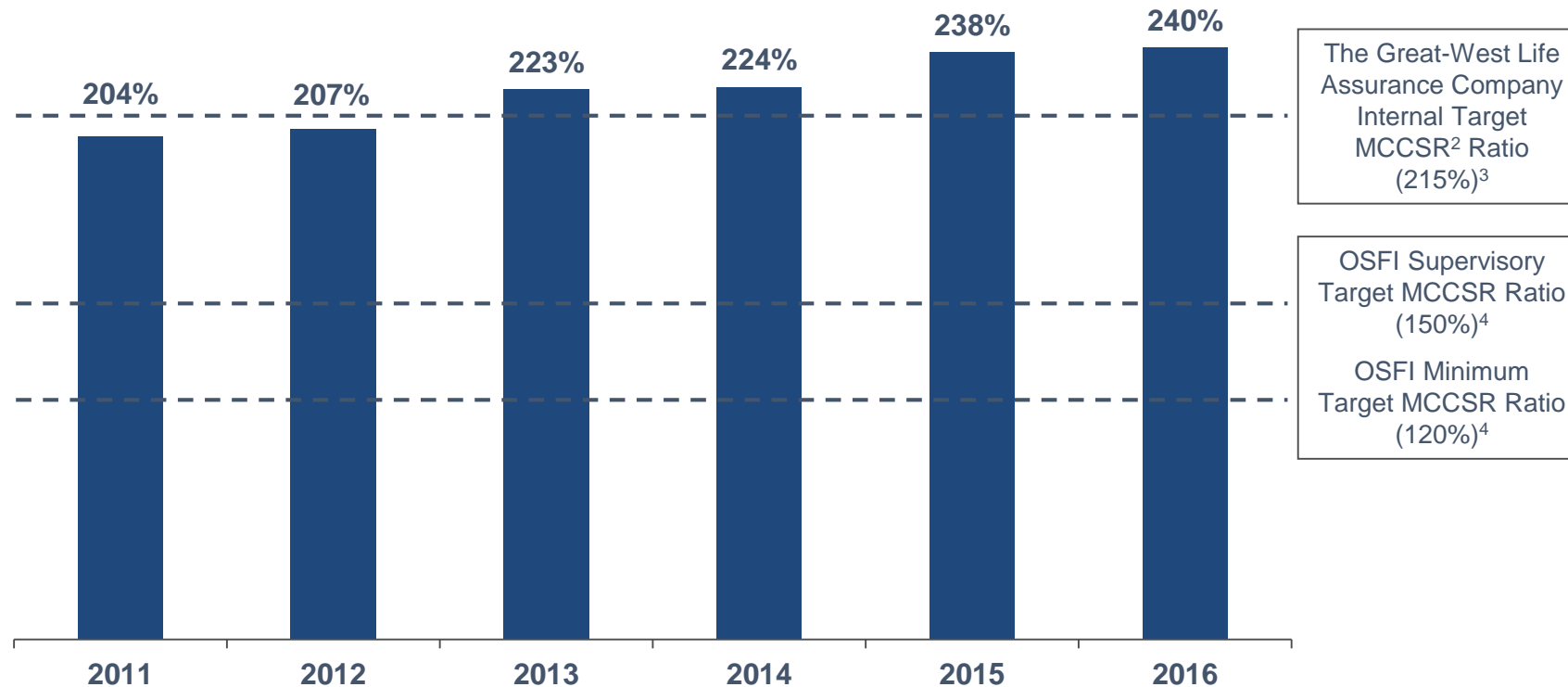
## Strong & Stable Coverage Multiple<sup>1</sup>





# Solid capital base with substantial excess capital

- Track record of maintaining a substantial capital buffer
- Lifeco cash of \$1.1B<sup>1</sup> not included in MCCR ratio
- Dividend payout ratio above 45% for the past 10 years



Note: Figures in CAD

1. As of Q1 2017

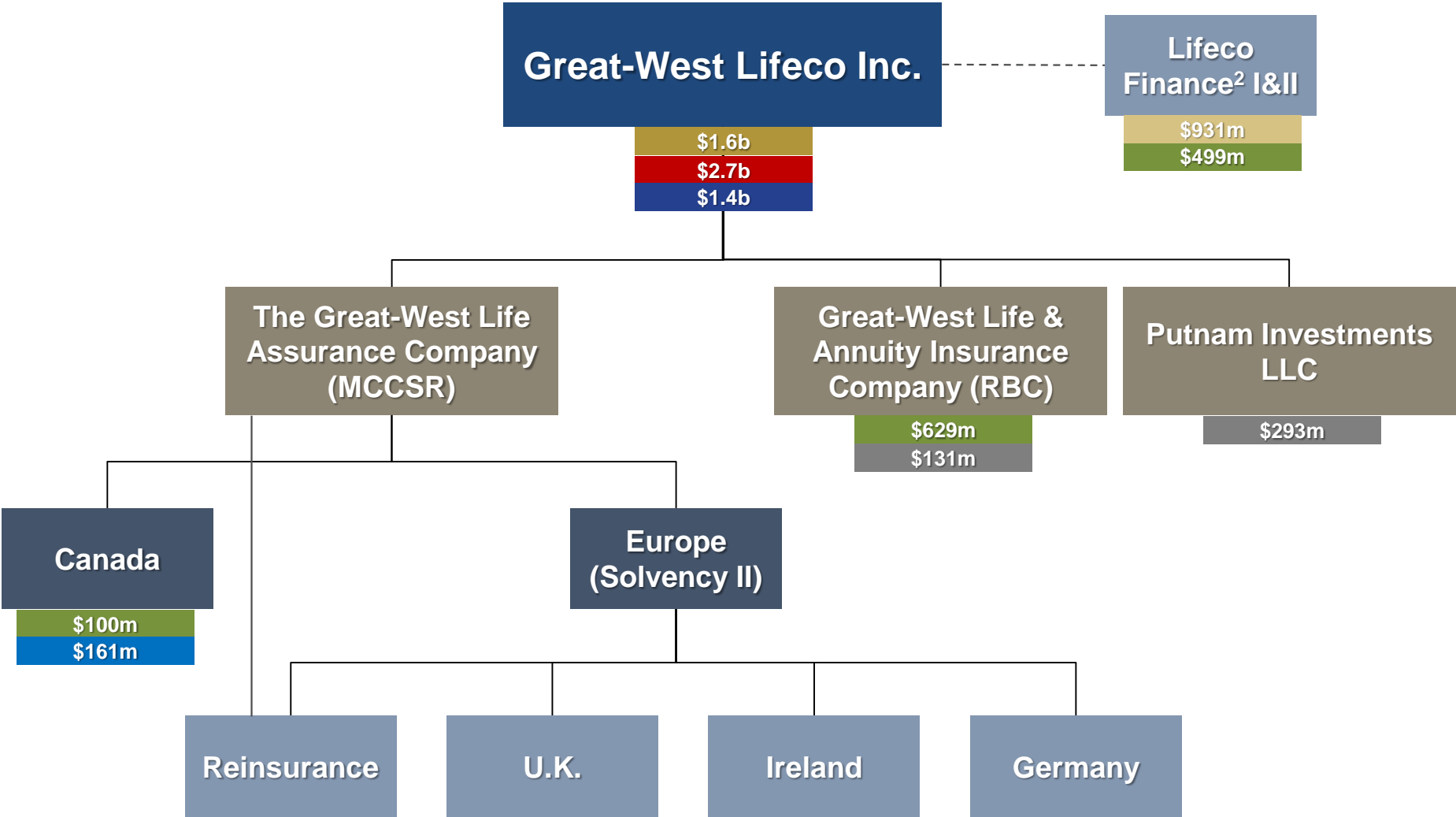
2. MCCR: Minimum Continuing Capital & Surplus Requirements

3. Represents the top end of The Great-West Life Assurance Company's internal target range for the MCCR ratio

4. Per the Office of the Superintendent of Financial Institutions ("OSFI") 2016 MCCR guidelines

# Efficient capital structure<sup>1</sup>

- Senior Debentures
- Subordinated Debentures
- Preferred Shares
- Euro Senior Debt
- U.S Senior Debt
- Short term borrowings by subsidiaries
- Capital Trust Securities



1. As of June 6, 2017, in Canadian Dollars  
2. Does not include \$1.0B sub debt to be redeemed June 21, 2017

# Financing activities – objectives

- Raise funds at holding company level
- Meet capital requirements
- Maintain credit ratings and sound capitalization
- Maintain appropriate leverage and coverage ratios
- Diversify sources of capital
- Mitigate financial risk

# Financing activities – euro debt markets

## €500 Million Senior Eurobond

<b>Issued:</b>	December 7, 2016
<b>Issuing Entity:</b>	Great-West Lifeco
<b>Size:</b>	€500 million
<b>Term:</b>	10 Year
<b>Coupon:</b>	1.75%
<b>Maturity:</b>	December 7, 2026
<b>Rating:</b>	A+ by S&P
<b>Listing:</b>	Irish Stock Exchange

# Financing activities – domestic equity markets

## \$200 Million Preferred Shares – Series T

<b>Issued:</b>	May 18, 2017
<b>Issuing Entity:</b>	Great-West Lifeco
<b>Size:</b>	\$200 million (8 million shares - \$25.00 issue price)
<b>Term:</b>	Fixed Rate, Perpetual
<b>Dividend Yield:</b>	5.15%
<b>Rating:</b>	A-, P-1(low) by S&P
<b>Listing:</b>	The Toronto Stock Exchange

# Financing activities – U.S. debt markets

## US\$700 Million Senior Notes

<b>Issued:</b>	May 26, 2017
<b>Issuing Entity:</b>	Great-West Lifeco Finance (Delaware) LP Guaranteed by Great-West Lifeco Inc.
<b>Size:</b>	US\$700 million
<b>Term:</b>	30 Year
<b>Coupon:</b>	4.15%
<b>Maturity:</b>	June 3, 2047
<b>Ratings:</b>	A+ by S&P, A by Fitch
<b>Form:</b>	Private Placement 144A and Reg. S documentation

# Domestic debt markets

- Continue to actively monitor opportunities
- No immediate issuance plans at this time
- Evaluate opportunities in consideration of:
  - Requirements
  - Cost
  - Maturity
  - Impact – credit ratings, leverage and coverage ratios
  - Alternatives

## In summary

- Leading insurance franchise with substantial geographic and product diversity
- Proven ability to sustain strong and stable earnings
- Solid balance sheet and capitalization



# Questions?

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