

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 second quarter 2017 adjusted net earnings of \$712 million, up 6% from the second quarter of 2016

Toronto, August 2, 2017 ... Great-West Lifeco Inc. (Lifeco or the Company) today announced net earnings attributable to common shareholders of \$585 million or \$0.591 per common share. Included in Lifeco's net earnings for the second quarter of 2017 were restructuring costs of \$127 million, primarily related to the realignment of the Canada segment operations. Excluding these costs, adjusted net earnings for the second quarter of 2017 were \$712 million or \$0.719 per common share, up 6% compared to \$671 million or \$0.675 per common share for the same quarter last year. The increase in adjusted net earnings reflects strong business results and the impact of ongoing expense management initiatives.

For the six months ended June 30, 2017, excluding the impact of restructuring costs, Lifeco's adjusted net earnings were \$1,331 million or \$1.345 per common share compared to \$1,291 million or \$1.300 per common share for the same period last year.

"We were very pleased with the second quarter results, which reflected strong operating performances across businesses and geographies," said Paul Mahon, President and Chief Executive Officer. "Restructuring initiatives undertaken earlier in the year are delivering expected cost savings. We are managing expenses carefully while continuing to invest in core markets and new capabilities to improve customer experiences and drive future growth."

Consolidated assets under administration at June 30, 2017 were over \$1.3 trillion, an increase of \$60.7 billion from December 31, 2016.

Highlights – In Quarter

Fee income of \$1.4 billion up 12%

- Fee and other income was \$1.4 billion, up 12% from the second quarter of 2016, primarily as a result of increases in all segments driven by market performance and business growth.

Capital strength and financial flexibility maintained

- The Great-West Life Assurance Company reported a Minimum Continuing Capital Surplus Requirements (MCCSR) ratio of 239% at June 30, 2017.
- Lifeco declared a quarterly common dividend of \$0.3670 per common share payable September 29, 2017.
- Adjusted Return on Equity (ROE), excluding the impact of restructuring costs, was 13.9%.

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Completed offering of US\$700 million of senior notes and redeemed \$1.0 billion hybrid subordinated debenture

- On May 26, 2017, a subsidiary of the Company issued US\$700 million principal amount 4.150% senior unsecured notes that are fully and unconditionally guaranteed by Lifeco, maturing on June 3, 2047.
- On June 21, 2017, a subsidiary of the Company redeemed all \$1.0 billion principal amount of its 5.691% subordinated debentures due June 21, 2067 at a redemption price equal to 100% of the principal amount of the debentures, plus any accrued interest up to but excluding the redemption date.

Completed offering of \$200 million of Preferred Shares

- On May 18, 2017 Lifeco issued 8,000,000 Series T, 5.15% Non-Cumulative First Preferred Shares at \$25.00 per share for gross proceeds of \$200 million.

SEGMENTED OPERATING RESULTS

For reporting purposes, Lifeco's 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. For more information, please refer to the Company's 2017 second quarter MD&A.

CANADA

- **Canada progresses business transformation** – Following the realignment into two new business units: one focused on individual customers and the other on group customers, the Canadian operations made progress on the previously announced targeted annual expense reductions of \$200 million pre-tax. As of June 30, 2017, the Company has achieved approximately \$46 million pre-tax in annualized reductions, which resulted in expense reductions of \$18 million pre-tax for the first half of 2017, approximately \$14 million relating to the common shareholders' account and \$4 million relating to the participating accounts. As part of this effort, the Company incurred a \$215 million pre-tax restructuring charge, which impacted net earnings attributable to the common shareholders by \$126 million.
- **Q2 Canada sales up 21%** – Sales in the second quarter of 2017 were \$3.2 billion, up 21% from the second quarter of 2016. The increase reflects strong sales in individual and group investment funds and single premium group annuities as well as higher group insurance sales.
- **Q2 Canada segment adjusted net earnings of \$311 million** – Adjusted net earnings attributable to common shareholders for the second quarter of 2017 were \$311 million compared to \$327 million in the second quarter of 2016, primarily due to lower contributions from investment experience which were partially offset by strong core business results including higher fee income and more favourable morbidity and mortality experience. For the six months ended June 30, 2017, adjusted net earnings attributable to common shareholders were \$566 million compared to \$603 million for the same period last year.
- **Great-West Life completes acquisition of Financial Horizons Group, the leading MGA in the Canadian market** – Subsequent to the second quarter of 2017, the Company, through its subsidiary Great-West Life, completed the acquisition of Financial Horizons Group, a Canadian Managing General Agency (MGA), that offers access to life and health insurance, employee benefits, pensions, investments, structured settlements, and risk management products and services to advisors throughout Canada.

UNITED STATES

- **Q2 U.S. segment net earnings up 55%** – Net earnings attributable to common shareholders for the second quarter of 2017 were US\$62 million, up 55%, compared to net earnings of US\$40 million in the second quarter of 2016 driven by growth in fee income and lower expenses for both Empower Retirement and Putnam. For the six months ended June 30, 2017, net earnings attributable to common shareholders were US\$104 million compared to US\$87 million for the same period last year.
- **Q2 sales for Great-West Financial up 9%** – Sales in the second quarter of 2017 were US\$5.1 billion, up 9% from the second quarter of 2016 primarily due to higher Empower Retirement sales.
- **Putnam average assets up 10%** – Putnam average assets under management for the three months ended June 30, 2017 were US\$161.8 billion compared to US\$146.7 billion for the same quarter last year, an increase of 10%, primarily due to the cumulative impact of market performance and net asset inflows from the institutional business over the twelve month period. Putnam ending assets under management at June 30, 2017 were US\$162.9 billion.
- **Improved Putnam mutual fund net cash flows** – Putnam's net cash outflows from mutual funds of US\$406 million for the three months ended June 30, 2017 were a US\$2.0 billion improvement from the same period last year.

EUROPE

- **Q2 Europe segment net earnings up 10%** – Net earnings attributable to common shareholders for the second quarter of 2017 were \$321 million compared to \$293 million in the second quarter of 2016 driven by strong investment performance and earnings growth across all regions in local currency. For the six months ended June 30, 2017, net earnings attributable to common shareholders were \$610 million compared to \$580 million for the same period last year.
- **Irish Life Health remains on track to deliver target expense reductions** – As of June 30, 2017, the Company has achieved €8 million pre-tax of annualized synergies to date, relating to the integration of the Irish Life Health operations and remains on track to achieve targeted annual cost savings of €16 million pre-tax within the next six months. Irish Life has also achieved €5 million pre-tax annualized expense reductions in its retail division with a target of €8 million pre-tax by the end of 2017.
- **Europe assets under management up 8%** – Assets under management as of June 30, 2017 were \$203.8 million, up 8% from the second quarter of 2016 and contributed to Europe fee and other income increasing 13% over the same period.

QUARTERLY DIVIDENDS

At its meeting today, the Board of Directors approved a quarterly dividend of \$0.3670 per share on the common shares of Lifeco payable September 29, 2017 to shareholders of record at the close of business September 1, 2017.

In addition, the Directors approved quarterly dividends on Lifeco's preferred shares, as follows:

First Preferred Shares	Record Date	Payment Date	Amount, per share
Series F	September 1, 2017	September 29, 2017	\$0.36875
Series G	September 1, 2017	September 29, 2017	\$0.3250
Series H	September 1, 2017	September 29, 2017	\$0.30313
Series I	September 1, 2017	September 29, 2017	\$0.28125
Series L	September 1, 2017	September 29, 2017	\$0.353125
Series M	September 1, 2017	September 29, 2017	\$0.3625
Series N	September 1, 2017	September 29, 2017	\$0.1360
Series O	September 1, 2017	September 29, 2017	\$0.115253
Series P	September 1, 2017	September 29, 2017	\$0.3375
Series Q	September 1, 2017	September 29, 2017	\$0.321875
Series R	September 1, 2017	September 29, 2017	\$0.3000
Series S	September 1, 2017	September 29, 2017	\$0.328125
Series T	September 1, 2017	September 29, 2017	\$0.476200

For purposes of the Income Tax Act (Canada), and any similar provincial legislation, the dividends referred to above are eligible dividends.

Selected financial information is attached.

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 The Great-West Life Assurance Company (Great-West Life) and its operating subsidiaries, London Life Insurance Company (London Life) and The Canada Life Assurance Company (Canada Life); Great-West Life & Annuity Insurance Company (Great-West Financial) and Putnam Investments, LLC (Putnam). Lifeco and its companies have over \$1.3 trillion in consolidated assets under administration and are members of the Power Financial Corporation group of companies. To learn more, visit www.greatwestlifeco.com.

Basis of presentation

The consolidated financial statements of Lifeco have been prepared in accordance with International Financial Reporting Standards (IFRS) and are the basis for the figures presented in this release, 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. 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. Refer to the appropriate reconciliations of these non-IFRS financial measures to measures prescribed by IFRS.

Second Quarter Conference Call

Lifeco's second quarter conference call and audio webcast will be held August 3, 2017 at 10:00 a.m. (ET). The call and webcast can be accessed through www.greatwestlifeco.com or by phone at:

- Participants in the Toronto area: 416-340-2216
- Participants from North America: 1-866-223-7781
- For International participants: Look up the dial-in information for your location at:
<https://www.confsolutions.ca/ILT?oss=1P49R8662237781>

A replay of the call will be available from August 3, 2017 to August 10, 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 from August 3, 2017 to August 2, 2018.

Additional information relating to Lifeco, including the most recent interim unaudited consolidated financial statements, interim Management's Discussion and Analysis (MD&A) and CEO/CFO certification will be filed on SEDAR at www.sedar.com.

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FINANCIAL HIGHLIGHTS (unaudited)
(in Canadian \$ millions except per share amounts)

	As at or for the three months ended			For the six months ended	
	June 30 2017	March 31 2017	June 30 2016	June 30 2017	June 30 2016
Premiums and deposits:					
Net premium income (Life insurance, guaranteed annuities and insured health products)	\$ 7,772	\$ 9,365	\$ 6,871	\$ 17,137	\$ 13,886
Policyholder deposits (segregated funds):					
Individual products	4,142	3,897	3,213	8,039	6,902
Group products	2,020	2,185	1,858	4,205	4,096
Self-funded premium equivalents (Administrative services only contracts) ⁽¹⁾	720	716	707	1,436	1,405
Proprietary mutual funds and institutional deposits ⁽¹⁾	13,767	17,386	15,522	31,153	31,876
Total premiums and deposits⁽¹⁾	28,421	33,549	28,171	61,970	58,165
Fee and other income	1,381	1,305	1,231	2,686	2,485
Net policyholder benefits, dividends and experience refunds	7,377	8,543	6,023	15,920	12,562
Earnings					
Net earnings - common shareholders	\$ 585	\$ 591	\$ 671	\$ 1,176	\$ 1,291
Adjusted net earnings, excluding restructuring costs - common shareholders ⁽⁶⁾	712	619	671	1,331	1,291
Per common share					
Basic earnings	0.591	0.598	0.675	1.189	1.300
Adjusted basic earnings, excluding restructuring costs ⁽⁶⁾	0.719	0.627	0.675	1.345	1.300
Dividends paid	0.367	0.367	0.346	0.734	0.692
Book value ⁽²⁾	19.95	19.99	19.02		
Return on common shareholders' equity⁽³⁾					
Net earnings	13.0%	13.6%	14.0%		
Adjusted net earnings, excluding restructuring costs ⁽⁶⁾	13.9%	13.9%	14.0%		
Total assets	\$ 409,773	\$ 405,632	\$ 390,251		
Proprietary mutual funds and institutional net assets ⁽⁴⁾	271,686	270,121	243,688		
Total assets under management⁽⁴⁾	681,459	675,753	633,939		
Other assets under administration ⁽⁵⁾	627,633	620,064	549,878		
Total assets under administration	\$1,309,092	\$1,295,817	\$1,183,817		
Total equity	\$ 25,428	\$ 25,372	\$ 24,201		

⁽¹⁾ 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.

⁽²⁾ Certain comparative figures have been adjusted as described in note 33 to the Company's December 31, 2016 financial statements.

⁽³⁾ Return on common shareholders' equity is detailed within the "Capital Allocation Methodology" section of the Company's June 30, 2017 Management's Discussion and Analysis.

⁽⁴⁾ 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.

⁽⁵⁾ 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 volume, size and trends.

⁽⁶⁾ Net earnings attributable to common shareholders include the impact of restructuring costs. The second quarter of 2017 included restructuring costs of \$127, \$126 related to the Canada segment and \$1 related to the Europe segment. The first quarter of 2017 included restructuring costs of \$28, \$17 relating to the Europe segment and \$11 relating to the United States segment.

CONSOLIDATED STATEMENTS OF EARNINGS *(unaudited)*

(in Canadian \$ millions except per share amounts)

	For the three months ended			For the six months ended	
	June 30	March 31	June 30	June 30	June 30
	2017	2017	2016	2017	2016
Income					
Premium income					
Gross premiums written	\$ 8,792	\$ 10,484	\$ 7,834	\$ 19,276	\$ 15,760
Ceded premiums	(1,020)	(1,119)	(963)	(2,139)	(1,874)
Total net premiums	<u>7,772</u>	<u>9,365</u>	<u>6,871</u>	<u>17,137</u>	<u>13,886</u>
Net investment income					
Regular net investment income	1,591	1,469	1,576	3,060	3,249
Changes in fair value through profit or loss	304	735	3,129	1,039	5,539
Total net investment income	<u>1,895</u>	<u>2,204</u>	<u>4,705</u>	<u>4,099</u>	<u>8,788</u>
Fee and other income	<u>1,381</u>	<u>1,305</u>	<u>1,231</u>	<u>2,686</u>	<u>2,485</u>
	<u>11,048</u>	<u>12,874</u>	<u>12,807</u>	<u>23,922</u>	<u>25,159</u>
Benefits and expenses					
Policyholder benefits					
Gross	7,415	8,595	6,143	16,010	12,785
Ceded	(500)	(610)	(501)	(1,110)	(973)
Total net policyholder benefits	<u>6,915</u>	<u>7,985</u>	<u>5,642</u>	<u>14,900</u>	<u>11,812</u>
Policyholder dividends and experience refunds	462	558	381	1,020	750
Changes in insurance and investment contract liabilities	850	1,319	4,012	2,169	7,151
Total paid or credited to policyholders	<u>8,227</u>	<u>9,862</u>	<u>10,035</u>	<u>18,089</u>	<u>19,713</u>
Commissions	549	753	599	1,302	1,165
Operating and administrative expenses	1,185	1,233	1,161	2,418	2,369
Premium taxes	107	123	98	230	190
Financing charges	79	76	75	155	153
Amortization of finite life intangible assets	47	45	44	92	90
Restructuring expenses	216	37	5	253	9
Earnings before income taxes	<u>638</u>	<u>745</u>	<u>790</u>	<u>1,383</u>	<u>1,470</u>
Income taxes	51	96	76	147	100
Net earnings before non-controlling interests	<u>587</u>	<u>649</u>	<u>714</u>	<u>1,236</u>	<u>1,370</u>
Attributable to non-controlling interests	(28)	27	13	(1)	18
Net earnings	<u>615</u>	<u>622</u>	<u>701</u>	<u>1,237</u>	<u>1,352</u>
Preferred share dividends	30	31	30	61	61
Net earnings - common shareholders	<u><u>\$ 585</u></u>	<u><u>\$ 591</u></u>	<u><u>\$ 671</u></u>	<u><u>\$ 1,176</u></u>	<u><u>\$ 1,291</u></u>
Earnings per common share					
Basic	<u>\$ 0.591</u>	<u>\$ 0.598</u>	<u>\$ 0.675</u>	<u>\$ 1.189</u>	<u>\$ 1.300</u>
Diluted	<u>\$ 0.590</u>	<u>\$ 0.597</u>	<u>\$ 0.674</u>	<u>\$ 1.187</u>	<u>\$ 1.298</u>

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

	June 30	December 31
	2017	2016
Assets		
Cash and cash equivalents	\$ 3,398	\$ 3,259
Bonds	118,215	116,773
Mortgage loans	22,301	21,651
Stocks	8,435	8,665
Investment properties	4,708	4,340
Loans to policyholders	8,394	8,467
	165,451	163,155
Funds held by ceding insurers	10,317	10,781
Goodwill	5,992	5,977
Intangible assets	3,900	3,972
Derivative financial instruments	463	528
Owner occupied properties	653	649
Fixed assets	293	304
Other assets	2,359	2,263
Premiums in course of collection, accounts and interest receivable	4,550	4,311
Reinsurance assets	5,416	5,627
Current income taxes	168	97
Deferred tax assets	1,675	1,845
Investments on account of segregated fund policyholders	208,536	200,403
Total assets	\$ 409,773	\$ 399,912
Liabilities		
Insurance contract liabilities	\$ 157,797	\$ 155,940
Investment contract liabilities	1,953	2,009
Debentures and other debt instruments	5,531	5,980
Capital trust securities	160	161
Funds held under reinsurance contracts	336	320
Derivative financial instruments	1,519	2,012
Accounts payable	2,443	2,049
Other liabilities	3,924	3,836
Current income taxes	603	549
Deferred tax liabilities	1,543	1,645
Investment and insurance contracts on account of segregated fund policyholders	208,536	200,403
Total liabilities	384,345	374,904
Equity		
Non-controlling interests		
Participating account surplus in subsidiaries	2,753	2,782
Non-controlling interests in subsidiaries	212	224
Shareholders' equity		
Share capital		
Preferred shares	2,714	2,514
Common shares	7,261	7,130
Accumulated surplus	11,889	11,465
Accumulated other comprehensive income	478	746
Contributed surplus	121	147
Total equity	25,428	25,008
Total liabilities and equity	\$ 409,773	\$ 399,912

Segmented Information *(unaudited)*

Consolidated Net Earnings

For the three months ended June 30, 2017

	Canada	United States	Europe	Lifeco Corporate	Total
Income					
Total net premiums	\$ 3,189	\$ 942	\$ 3,641	\$ —	\$ 7,772
Net investment income					
Regular net investment income	642	451	496	2	1,591
Changes in fair value through profit or loss	282	274	(252)	—	304
Total net investment income	924	725	244	2	1,895
Fee and other income	399	636	346	—	1,381
	<u>4,512</u>	<u>2,303</u>	<u>4,231</u>	<u>2</u>	<u>11,048</u>
Benefits and expenses					
Paid or credited to policyholders	3,333	1,476	3,418	—	8,227
Other ⁽¹⁾	783	651	405	2	1,841
Financing charges	31	37	10	1	79
Amortization of finite life intangible assets	17	22	8	—	47
Restructuring expenses	215	—	1	—	216
Earnings (loss) before income taxes	<u>133</u>	<u>117</u>	<u>389</u>	<u>(1)</u>	<u>638</u>
Income taxes (recovery)	(22)	28	45	—	51
Net earnings (loss) before non-controlling interests	<u>155</u>	<u>89</u>	<u>344</u>	<u>(1)</u>	<u>587</u>
Non-controlling interests	(31)	3	—	—	(28)
Net earnings (loss)	<u>186</u>	<u>86</u>	<u>344</u>	<u>(1)</u>	<u>615</u>
Preferred share dividends	26	—	4	—	30
Net earnings (loss) before capital allocation	<u>160</u>	<u>86</u>	<u>340</u>	<u>(1)</u>	<u>585</u>
Impact of capital allocation	25	(4)	(19)	(2)	—
Net earnings (loss) - common shareholders	<u>\$ 185</u>	<u>\$ 82</u>	<u>\$ 321</u>	<u>\$ (3)</u>	<u>\$ 585</u>

⁽¹⁾ Includes commissions, operating and administrative expenses and premium taxes.

GREAT-WEST
LIFECO INC.

Segmented Information (unaudited) - Consolidated Net Earnings (cont'd)

For the three months ended June 30, 2016

	Canada	United States	Europe	Lifeco Corporate	Total
Income					
Total net premiums	\$ 2,896	\$ 1,267	\$ 2,708	\$ —	\$ 6,871
Net investment income					
Regular net investment income	665	420	487	4	1,576
Changes in fair value through profit or loss	940	526	1,663	—	3,129
Total net investment income	1,605	946	2,150	4	4,705
Fee and other income	369	555	307	—	1,231
	<u>4,870</u>	<u>2,768</u>	<u>5,165</u>	<u>4</u>	<u>12,807</u>
Benefits and expenses					
Paid or credited to policyholders	3,632	1,996	4,407	—	10,035
Other ⁽¹⁾	833	645	374	6	1,858
Financing charges	26	35	11	3	75
Amortization of finite life intangible assets	17	20	7	—	44
Restructuring expenses	—	4	1	—	5
Earnings (loss) before income taxes	362	68	365	(5)	790
Income taxes (recovery)	23	12	46	(5)	76
Net earnings (loss) before non-controlling interests	339	56	319	—	714
Non-controlling interests	11	1	1	—	13
Net earnings (loss)	328	55	318	—	701
Preferred share dividends	26	—	4	—	30
Net earnings (loss) before capital allocation	302	55	314	—	671
Impact of capital allocation	25	(2)	(21)	(2)	—
Net earnings (loss) - common shareholders	<u>\$ 327</u>	<u>\$ 53</u>	<u>\$ 293</u>	<u>\$ (2)</u>	<u>\$ 671</u>

⁽¹⁾ Includes commissions, operating and administrative expenses and premium taxes.

GREAT-WEST
LIFECO INC.

Segmented Information (unaudited) - Consolidated Net Earnings (cont'd)

For the six months ended June 30, 2017

	Canada	United States	Europe	Lifeco Corporate	Total
Income					
Total net premiums	\$ 6,484	\$ 2,171	\$ 8,482	\$ —	\$ 17,137
Net investment income					
Regular net investment income	1,255	906	898	1	3,060
Changes in fair value through profit or loss	657	376	6	—	1,039
Total net investment income	1,912	1,282	904	1	4,099
Fee and other income	786	1,230	670	—	2,686
	<u>9,182</u>	<u>4,683</u>	<u>10,056</u>	<u>1</u>	<u>23,922</u>
Benefits and expenses					
Paid or credited to policyholders	6,578	3,028	8,483	—	18,089
Other ⁽¹⁾	1,811	1,337	791	11	3,950
Financing charges	61	71	22	1	155
Amortization of finite life intangible assets	34	43	15	—	92
Restructuring expenses	215	17	21	—	253
Earnings (loss) before income taxes	<u>483</u>	<u>187</u>	<u>724</u>	<u>(11)</u>	<u>1,383</u>
Income taxes (recovery)	43	39	68	(3)	147
Net earnings (loss) before non-controlling interests	<u>440</u>	<u>148</u>	<u>656</u>	<u>(8)</u>	<u>1,236</u>
Non-controlling interests	(2)	2	(1)	—	(1)
Net earnings (loss)	<u>442</u>	<u>146</u>	<u>657</u>	<u>(8)</u>	<u>1,237</u>
Preferred share dividends	52	—	9	—	61
Net earnings (loss) before capital allocation	<u>390</u>	<u>146</u>	<u>648</u>	<u>(8)</u>	<u>1,176</u>
Impact of capital allocation	50	(8)	(38)	(4)	—
Net earnings (loss) - common shareholders	<u>\$ 440</u>	<u>\$ 138</u>	<u>\$ 610</u>	<u>\$ (12)</u>	<u>\$ 1,176</u>

⁽¹⁾ Includes commissions, operating and administrative expenses and premium taxes.

GREAT-WEST
LIFECO INC.

Segmented Information (unaudited) - Consolidated Net Earnings (cont'd)

For the six months ended June 30, 2016

	Canada	United States	Europe	Lifeco Corporate	Total
Income					
Total net premiums	\$ 5,757	\$ 2,647	\$ 5,482	\$ —	\$ 13,886
Net investment income					
Regular net investment income	1,401	874	970	4	3,249
Changes in fair value through profit or loss	1,477	1,007	3,055	—	5,539
Total net investment income	2,878	1,881	4,025	4	8,788
Fee and other income	731	1,126	628	—	2,485
	<u>9,366</u>	<u>5,654</u>	<u>10,135</u>	<u>4</u>	<u>25,159</u>
Benefits and expenses					
Paid or credited to policyholders	6,933	4,108	8,672	—	19,713
Other ⁽¹⁾	1,650	1,331	733	10	3,724
Financing charges	55	72	23	3	153
Amortization of finite life intangible assets	33	42	15	—	90
Restructuring expenses	—	7	2	—	9
Earnings (loss) before income taxes	695	94	690	(9)	1,470
Income taxes (recovery)	74	(28)	59	(5)	100
Net earnings (loss) before non-controlling interests	621	122	631	(4)	1,370
Non-controlling interests	16	2	—	—	18
Net earnings (loss)	605	120	631	(4)	1,352
Preferred share dividends	52	—	9	—	61
Net earnings (loss) before capital allocation	553	120	622	(4)	1,291
Impact of capital allocation	50	(4)	(42)	(4)	—
Net earnings (loss) - common shareholders	<u>\$ 603</u>	<u>\$ 116</u>	<u>\$ 580</u>	<u>\$ (8)</u>	<u>\$ 1,291</u>

⁽¹⁾ Includes commissions, operating and administrative expenses and premium taxes.